U.S. DEPARTMENT OF COMMERCE
National Technical Information Service

PB-258 275

First Annual State-Federal Conference Held at Cheyenne, Wyoming on May 12-14, 1971

Mountain Plains Federal Regional Council, Denver, Colo

Prepared for

Federation of Rocky Mountain States, Inc, Denver, Colo

May 71

BIBLIOGRAPHIC DATA SHEET

1. Report No.

2.

3. Recipient's Accession No. PB-258 275

4. Title and Subtitle
First Annual State-Federal Conference, Held at Cheyenne, Wyoming on May 12-14, 1971.

5. Report Date May 1971

6.

7. Author(s)

8. Performing Organization Rept. No.

9. Performing Organization Name and Address
Mountain Plains Federal Regional Council
Denver, Colorado

10. Project/Task/Work Unit No.

11. Contract/Grant No.

12. Sponsoring Organization Name and Address

13. Type of Report & Period Covered

14.

15. Supplementary Notes Sponsored in Part by Federation of Rocky Mountain States, Inc., Denver, Colo. Environmental Protection Agency, Denver, Colo. Region VIII., and Law Enforcement Assistance Administration, Washington, D. C.

16. Abstracts

The Conference was a direct outgrowth of a 19% Snowmass seminar and a later meeting between representatives of Regional Councils and legislative leadership. The Federation of Rocky Mountain States had been meeting with the Mountain Plains Federal Regional Council to investigate common problem areas on which the two regional organizations could cooperate. Participants included officials on the local, state and federal levels as well as representatives from the business sector and other civic organizations from the states of Wyoming, Colorado, Utah, Montana, Idaho, New Mexico, South Dakota, North Dakota and Nebraska.

17. Key Words and Document Analysis. 17a. Descriptors

*Public administration
*Meetings
*Regional planning
National government
State government
Cooperation
Social welfare
Manpower utilization
Community development
Urban planning
Education
Transportation
Revenue
Environmental surveys
Air pollution abatement
Legislation
Recommendations
Law enforcement
Management planning
Idaho
Montana
North Dakota
South Dakota
Nebraska
Colorado
Utah
Wyoming
New Mexico

17b. Identifiers/Open-Ended Terms

Revenue sharing
Environmental Protection Agency
Rock Mountain Region(United States)
Mountain Plains Region(United States)
Western Region(United States)

17c. COSATI Field/Group 5D

18. Availability Statement
National Technical Information Service
Springfield, VA 22161

19. Security Class (This Report) UNCLASSIFIED

20. Security Class (This Page) UNCLASSIFIED

21. No. of Pages 104

22. Price PC$5.50 /MF$3.00

FORM NTIS-35 (REV. 10-73) ENDORSED BY ANSI AND UNESCO. THIS FORM MAY BE REPRODUCED USCOMM-DC 8265-P74

274184

PB 258 275

SUMMARY REPORT

FIRST ANNUAL STATE-FEDERAL CONFERENCE

CHEYENNE, WYOMING

MAY 12-14, 1971

SPONSORED BY

MOUNTAIN PLAINS FEDERAL REGIONAL COUNCIL
FEDERATION OF ROCKY MOUNTAIN STATES
ENVIRONMENTAL PROTECTION AGENCY
LAW ENFORCEMENT ASSISTANCE
ADMINISTRATION

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U. S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

104

ACKNOWLEDGEMENTS

It would be extremely difficult to recognize each individual who played an important role in developing such a challenging conference. Needless to say, there were many . . . and without their tireless efforts, it is doubtful that few, if any, of the conference objectives could have been achieved. However, I cannot fail to express appreciation to the White House Staff; the Office of Management and Budget; the Honorable Stan Hathaway, Governor of Wyoming: the staff of the Federation of Rocky Mountain States; the Environmental Protection Agency; the Law Enforcement Assistance Administration; and the Mountain Plains Federal Regional Council for their splendid support. I express my appreciation to all.

The President has said that it is time "to assess and reform all of our institutions of government . . . It is time for a New Federalism, in which, after 190 years of power flowing from the people . . . to Washington, it will begin to flow from Washington back to the states and to the people." This Conference is a beginning step in that process of assessment and reform.

William T. Van Orman

William T. Van Orman, Chairman
Federal Regional Council

TABLE OF CONTENTS

Page No.

PURPOSE OF CONFERENCE 1

CONFERENCE BACKGROUND 2

CONFERENCE PROGRAM 4

WELCOMING REMARKS
  Governor Stanley Hathaway 10
  Governor Calvin Rampton 12

INTRODUCTORY REMARKS
  Dr. Wm. T. Van Orman 16

KEYNOTE ADDRESS
  Honorable Donald Rumsfeld 17

INTRODUCTORY REMARKS
  Governor Richard Kneip 26

WELFARE REFORM
  Honorable John Montgomery 29

PANEL ON SPECIAL REVENUE SHARING
  "Manpower Training", William Hewitt 40
  "Urban Community Development", Floyd H. Hyde 42
  "Education", Dr. Reed H. Saunders 44
  "Transportation", John P. Olsson 53
  "Rural Community Development", Jerome Siebert 57
  "Law Enforcement", Edwin La Pedis 59
  "Economic Development", John Crutcher 61

EXECUTIVE REORGANIZATION, Dwight A. Ink 62

ROLE OF STATE LEGISLATURES IN AIR POLLUTION CONTROL, George V. Voinovich 67

LEGISLATIVE LEADERSHIP TODAY AND TOMORROW, Charles O. Davis 71

SUMMARY OF WORKSHOPS AND RECOMMENDATIONS 81

CONFERENCE EVALUATION 83

CONFERENCE SPONSORS 85

CONFERENCE PARTICIPANTS 86

PURPOSE OF CONFERENCE

The purpose of the First Annual State-Federal Conference was to convene the top leadership of state, federal, and local officials representing both public and private interests in order to study methods by which governmental functions can be cooperatively planned, evaluated, and revitalized effectively. The general thrust was to examine common problem areas and explore a variety of appropriate actions to solve those existing problems. The complexities of intra- and inter-governmental relations were aired widely, particularly as they may be influenced by federal requirements and operations. In addition, consideration as to the value of continuous pursuit of such goals through similar future conferences was explored.

CONFERENCE BACKGROUND

In July, 1970, the Department of Health, Education, and Welfare co-sponsored the Western States Legislative Leaders Seminar in Snowmass-at-Aspen, Colorado with the Citizens Conference on State Legislatures, National Conference of State Legislative Leaders and the Eagleton Institute of Politics, Rutgers University. During this time, the members of the Mountain Plains Federal Regional Council met with legislators from the states in their region. The seminar provided the Denver-based Council the opportunity to acquaint the legislators with the regionalization efforts underway within the Federal Government. The legislators suggested that an in-depth discussion of the intricacies involved in the New Federalism would be valuable. An effective decentralization process depends upon pragmatic, trustworthy and interacting relationships among all governmental entities.

The First Annual State-Federal Conference was a direct outgrowth of the Snowmass seminar and a later meeting between representatives of the Regional Council and the legislative leadership in South Dakota. At the South Dakota meeting, the problems which the states will confront under revenue sharing surfaced as the major topic of discussion, indicating an immediate need for a regional meeting of state and federal officials in which a comprehensive study of such problems could be undertaken.

1970

The Federation of Rocky Mountain States had been meeting with the Mountain Plains Federal Regional Council to investigate common problem areas on which the two regional organizations could cooperate. The Federation, as well as the Regional Council, has long been concerned with the structure of governments in relation to inter-governmental affairs on a regional basis. Their concern with inter-governmental functions in respect to pending federal legislation and executive reorganization plans emerged as the main thrust of the Conference in Cheyenne.

Participants in the First Annual State-Federal Conference included officials on the local, state and federal levels as well as representatives from the business sector and other civic organizations from the states of Wyoming, Colorado, Utah, Montana, Idaho, New Mexico, South Dakota, North Dakota and Nebraska. Considerable assistance was received from Governor Hathaway and the State of Wyoming in planning the Conference, and in serving at the host state.

Pursuant to a series of regional meetings with legislators, the Environmental Protection Agency developed the environmental section of the program. In meetings with legislators, representatives of EPA discussed pollution problems of the region and examined how state legislators could work effectively in that area. These discussions also included an explanation of the structure and services of the newly created agency.

The agenda was structured to provide participants with maximum information on the key issues through the presentations, workshops and informal discussions, and in the end to galvanize a mechanism for an effective communications network functioning at all levels of government and private enterprise. The most important outcome of the Conference was expected to derive from the exchange of ideas in the seminar sessions and the recommendations resulting from each workshop.

The implementation of the recommendations is presently under consideration by the sponsoring organizations.

FIRST ANNUAL STATE – FEDERAL CONFERENCE

Sponsored by
Federation of Rocky Mountain States
Mountain Plains Federal Regional Council
Environmental Protection Agency
Law Enforcement Assistance Agency

Hitching Post Inn
1600 West Lincoln Way
Cheyenne, Wyoming

May 12 through 14, 1971

Wednesday, May 12

1:00 – 5:00 P.M.	Registration	Lobby
6:00 – 7:00 P.M.	Social Hour	Pub Room
7:30 – 9:30 P.M.	Dinner	Coach Rooms C and D

Welcome: Honorable Stanley K. Hathaway, Governor of Wyoming

Introductory Remarks:

Honorable Calvin L. Rampton, Chairman, Federation of Rocky Mountain States, and Governor of Utah

Dr. William T. Van Orman, Chairman, Mountain Plains Federal Regional Council

Keynote Address: Honorable Donald Rumsfeld, Counsellor to the President, The White House

Thursday, May 13

7:30 – 8:30 A.M.	Workshop Leaders Breakfast	Capitol Room

Presiding: Dr. Donald W. Galvin, Vice President, Federation of Rocky Mountain States

7:30 – 8:30 A.M. **Panelists Breakfast** **Executive Room**

Presiding: Dr. William T. Van Orman

9:00 – 9:45 A.M. **General Session –** **Carriage Room**
"Serving People in the Seventies"

Introduction: Honorable Richard F. Kneip, Governor of South Dakota

Address: Mr. John Montgomery, Assistant to the Secretary and Director of Family Assistance Planning, Department of Health, Education, and Welfare, Washington, D. C.

10:00 – 11:45 A.M. **Panel –** **Carriage Room**
"Views on Funding Concepts"

Chairman: Dr. William T. Van Orman

Manpower Training:
William Hewitt, Associate Manpower Administrator
Office of Policy, Evaluation and Research
Department of Labor

Urban Community Development:
Floyd H. Hyde, Assistant Secretary for Community Development
Department of Housing and Urban Development

Education:
Dr. Reed H. Saunders, Deputy Assistant Commissioner for Planning and Evaluation
Office of Education
Department of Health, Education, and Welfare

Transportation:
John P. Olsson, Deputy Under Secretary
Department of Transportation

Rural Community Development:
Jerome Siebert, Assistant to the Administrator for Consumer and Marketing Services
Department of Agriculture

Law Enforcement:
Edwin LaPedis, Regional Director
Law Enforcement Assistance Administration
Department of Justice

Economic Opportunity:
John Crutcher
Director of State and Local Government
Office of Economic Opportunity

12:00 Noon –
1:30 P.M.

Luncheon Meeting –
"Organizing for Adequate Delivery of Services"

Coach Rooms
A and B

Presiding: Jack M. Campbell, President
Federation of Rocky Mountain States

Address: Dwight A. Ink, Assistant Director for Organization and Management Systems, Office of Management and Budget

2:00 – 4:15 P.M.

Workshops

Capitol Room

Session 1 –

Chairman: Max M. Mills, Regional Director
Region VII, Department of Health,
Education, and Welfare

Co-Chairman: R. Thayne Robson, Executive Director
Economic Development and Research
University of Utah, Salt Lake City

Session 2 –

Presidential Room

Chairman: Sam R. Martinez
Regional Director, Region VIII
Office of Economic Opportunity

Co-Chairman: Philip Schmuck, Director of Planning
State of Colorado

Session 3 – **Coach Room A**

Chairman: Perry Roys, Executive Director
Department of Planning and Economic Development
State of Montana

Co-Chairman: Lee Zink, Director
Bureau of Business Research, ISRAD
University of New Mexico, Albuquerque

Session 4 – **Beefeater Room 1**

Chairman: Roland E. Camfield
Deputy Regional Administrator, Region VIII
Department of Housing and Urban Development

Co-Chairman: Dr. Charles Goeldner
Director, Business Research Division
Graduate School of Business Administration
University of Colorado, Boulder

Session 5– **Beefeater Room 2**

Chairman: Edwin Deckard, Management Analyst
Office of Management and Budget

Co-Chairman: Dr. Rudyard Goode, Director
Bureau of Business and Economic Research
School of Business Administration
University of Montana, Missoula

Session 6– **Executive Room**

Chairman: Dr. Rulon R. Garfield
Deputy Regional Director, Region VIII
Department of Health, Education, and Welfare

Co-Chairman: Honorable C. DeMont Judd, Sr.
Majority Leader
State House of Representatives, Utah

Session 7 – Carriage Room

Chairman: Jerry Mark, Director of Planning
State of Wyoming

Co-Chairman: Dr. Clynn Phillips, Director
Division of Business and Economic Research
College of Commerce and Industry
University of Wyoming, Laramie

Session 8 – Coach Room B

Chairman: Kenneth Olson
State – Federal Coordinator
State of Utah

4:30 – 5:30 P.M. Plenary Session
(Recommendations from Workshops) Carriage Room

6:00 – 8:00 P.M. Host State Reception Coach Rooms A and B

Friday, May 14

9:00 – 10:00 A.M. Discussion: 1970 Clean Air Act Amendments Carriage Room

Dr. Arthur A. Atkisson
Director, Institute of Urban Health
University of Texas

Mr. Edward Tuerk
Special Assistant for Program Operations
Air Pollution Control Office
Environmental Protection Agency

10:30 – 11:30 A.M. State Workshops

Wyoming – Beefeater Room 1
Montana – Beefeater Room 2
South Dakota – Executive Room
North Dakota – Capitol Room
Nebraska – Presidential Room

11:30 – 1:00 P.M.	Luncheon Meeting "Role of the State Legislators in Air Pollution Control" Address: Representative George Voinovich, House of Representatives, Columbus, Ohio	Coach Rooms A and B
1:30 – 4:30 P.M.	Special Legislative Session "Concerns for the Future" Presiding: Dr. William T. Van Orman Address: Charles O. Davis, Executive Secretary National Conference of State Legislative Leaders	Carriage Room
4:30 – 4:45 P.M.	Conference Evaluation	
4:45 P.M.	Adjournment	

INTRODUCTORY REMARKS

by Honorable Stanley K. Hathaway
Governor
State of Wyoming

There is representation from all of the nine states invited to this Federal-State Conference, not only our six Rocky Mountain States that belong to the Federation of Rocky Mountain States, but our good neighbors to the east from North and South Dakota and Nebraska. I hope that you will have a good stay in Wyoming. Don't be frightened if you can't see the air that you breathe because we think that it is as pure as any in the land. It's a great pleasure for me to welcome the great Governor of Utah, my good friend — he and I are on our second terms of office, and we have had a little experience with federal programs —, the Honorable Governor Calvin Rampton, Governor of Utah; and to welcome our new friend the Governor of the great State of South Dakota, Governor Kneip.

The main thrust of this meeting will be to talk about revenue sharing, although you will also be hearing from the Environmental Protection Agency on the great issue of the day, the environment. We are proud of this conference sponsored by the Federation of Rocky Mountain States, the Federal Regional Council, of which Dr. Van Orman serves as chairman, and the Environmental Protection Agency. The main thrust will be a discussion of revenue sharing. As a second-term Governor with Governor Rampton, we have witnessed a period in our states when there have been more Federal categorical aid programs enacted than in any time in history. Each has its own state plan, its own guidelines, its own administrative staff and, frankly, ladies and gentlemen, it has been pretty tough to implement some of these programs. Now, some of those in Congress take great delight in drafting these sophisticated programs. They particularly like to send press releases back to their home state constituents saying that they saved or brought this much money to their home state. It has been a good vehicle for re-elections by many of them. But there is a large difference in developing programs in the conceptional state and in implementing them — a very large difference indeed. So I am excited about the President's revenue sharing concepts, not only the general revenue sharing but the six special revenue sharing programs, because I think they depart from the philosophy that has developed for a long time that all the wisdom resides in Washington and that we can execute this great symposium of programs, numbering now more than 500, and do the people's business for them.

Now practically everyone is for revenue sharing: the National Governors' Conference, the National Legislative Conference, the League of Municipalities, the National Council of County Government Officials and the majority of the people.

Only Congress, or the majority of Congress, appears to object to it, probably because many of them like the press announcements that I referred to. Some of them do not like to give up their power. I think it is time in this nation for us to bring government back to the people. And those in Washington who object to revenue sharing on the basis that they cannot trust state and local government are really saying that they cannot trust the people.

We are closer to the people and able to set priorities, in my judgment, and to do jobs more economically in the handling of domestic programs, than are those who reside in the Federal government in Washington. So, the thrust of this conference, ladies and gentlemen, will be to talk about revenue sharing. *I like to refer to it as revenue "keeping" because most of the money originates in the state. In fact, in this State we think of $11,500,000. returning to the State in general revenue sharing, but $26 million went to the Federal Treasury last year from mineral royalties alone. We, therefore, are not a beggar State, but a State that desires to set its priorities and do the job we think we can do better than the Federal government can.*

It is a great pleasure to welcome you all here tonight. I hope you will have a good day in Cheyenne and a good day thereafter, and I thank you all for coming.

REMARKS

by
Honorable Calvin Rampton
Governor
State of Utah

You know, we have a story in our State about a man named John Smith who was an active Democratic worker all of his life. When he reached his 75th year he began feeling rather poorly and went in to see his doctor. His doctor examined him and said, "John, I have bad news for you. You are in the advanced stages of prostate cancer, and you probably don't have more than, at most, six months of life left to you." Mr. Smith thanked the doctor, and left his office and went down to the headquarters of the Republican Party and signed up as a Republican precinct worker. It wasn't long after this before the Democratic chairman heard about it and he called upon Mr. Smith saying, "John, how can you do this? You have been an active Democratic worker in this state for almost fifty years and now in your declining years you go over and join the enemy." Mr. Smith said, "Well, I just figured if someone had to go, I would rather it was one of them than one of us."

I am very pleased to be here tonight to represent the Federation of Rocky Mountain States, which is one of the sponsors here this evening. The Federation was conceived in the belief that the States themselves could answer many of the problems that fell between the authority of the States and the authority of the Federal government. In other words, we were approximately five years ahead of the Congress and the Administration in establishing regionalism, although the administrative regions finally adopted by the Federal government are not the same so far as geographic boundaries are concerned as is the Rocky Mountain Federation.

Still we believe that the concept is substantially the same. There are problems which have traditionally been within the jurisdiction of state government which, with an ever increasingly complex society have grown beyond the ability of the state to solve them——simply because they couldn't be solved within the geographical limits of a single state. And so, the Rocky Mountain Federation has attempted, through cooperation between the states, to solve some of those problems where Washington would otherwise have to step in and solve them for us.

I was pleased and I am sure most of the other governors in the Rocky Mountain West were pleased, when we began regionalization in an effort to bring together in a cohesive group those states which had common problems. We haven't all been happy with the boundaries that are drawn around these regions but it is quite obvious that if you are going to have regions you must make boundaries somewhere. Although I am sure that the State of Utah has less in common with South Dakota than it does with Nevada or New Mexico, still boundaries must be drawn, so we are willing to cooperate as best we can in making regionalism programs with the Federal government work.

I am pleased that the Federation of Rocky Mountain States can join with the federal regions here tonight, and in the next two days, investigate and attempt to solve some of our common problems. You know, all of the tax resources come from the same source. It doesn't matter if you pay your taxes to the Federal government through the income tax or through its many indirect taxes, or whether you pay it to the state government in the form of a sales tax, or whether it goes to the city or county in the form of a property tax. It is a tax that an individual has to pay. It doesn't matter whether the service is rendered to the people by the Federal government, the state government, the county or city government. There are services required by the people, in order to live in our present day society. It is highly important that there be the close cooperation between the Federal government, the State government, and the local government.

We see developing now, in regard to revenue sharing and other programs, a competition between state government and the governments of major cities. It may well be that the great cities of this nation, in terms of population, are large enough to deal directly with the Federal government and bypass their state governments. However, I would like to say to-night to our guest speaker, who is representing the White House, that in the Western States, very few of the cities feel that they have the power themselves to deal directly with the Federal government. So, in regard to the programs that we are now conducting under categorical grants or block grants, we believe that the relationship between the Federal and local government, should be through the State governments.

And we hope as we move, as we are sure we will move, into the field of special revenue sharing, that the guidelines of authority will not bypass the state government. If in fact, the lines of authority begin to run directly from Washington to the major cities, then the role of the state government will become less and less important. And you must remember this:

city governments are not creatures of the Federal government. They were created by the state legislatures except in a few cases where certain powers are guaranteed to the cities by the constitutions of the various states. The state legislatures have the authority to prescribe the powers of the cities and their responsibilities. If in fact the state is sidetracked under special revenue sharing, and lines of authority run directly from the Federal government to the major cities, then you are going to have a situation wherein financial aid may flow from the Federal government to cities, the power of the cities will be prescribed by state legislatures which are not in the chain of command at all, but which are on the outside, looking in.

I have a great respect for the state legislature as an institution, probably due to the fact that I ran five times for the state senate and never made it. But at any rate, in my mind the state legislature is the most significant and most powerful body collectively in our federal system. The constitution of the United States says that certain powers, and it lists about seventeen of them, should be given to the Federal government; and the balance of the powers shall be reserved to the states or to the people.

And even though in recent years the power of the Federal government has been vastly expanded, first under the Commerce Clause and more recently under the 14th Amendment, still the power of the collective state legislatures is vastly greater than that of the Congress of the United States as it affects the people where they live. Furthermore, county and city governments are dependent almost entirely for their powers upon the state legislatures except in those few instances where the constitutions of the states give them certain powers. By the same token, the executive branches of the state governments have very few powers that are conferred upon them by the constitutions of the various states. They too are dependent upon the state legislatures for their powers. While the governors are generally granted the power of veto, very seldom do we exercise it arbitrarily or consider ourselves to be the third house of the state legislature. It is highly important that this body, this collective body, the legislatures of the states, which is in truth the repository of the will of the people in this federal system, be kept very much in the chain of command between the Federal government, the executive branch of the state governments, and the city and county governments. For this reason, the governors generally recognizing the role of the legislature have opposed a bypassing of the state government and the establishment of direct lines of communication between the cities and the Federal government.

I think generally both the cities and the state governments collectively in this area are in favor of general revenue sharing because we can see new money. We are guarded in regard to special revenue sharing because we watch for the fine print. In regard to the law enforcement category which started out as a block grant, I think we are in general agreement that we are totally in support of special revenue sharing. But in regard to the other five categories, we have some reservations. And, Don, if I can say what these reservations are, maybe in the next three days some of the fears we have can be dissipated.

I presented a budget to the Utah Legislature in January of this year in which I assumed that we would receive from the Federal government $155 million in all forms of federal grants, except research grants to institutions of higher learning. I think it is a reasonable supposition that we will receive this amount, based upon what we have received in the past in the form of categorical and block grants, and based upon a reasonable expectation of an expansion of these grants.

Under the composite group of special revenue sharing we are able to compute fairly well how much we would receive. We would receive about $80 million. But we know that under the proposal made by the President, while there will be $11 billion in special revenue sharing, $10 billion of this will be obtained from the phasing out of block and categorical programs.

As a governor, I must be assured that we will not have phased out more than $75 million. In other words, if from special revenue sharing we are to get $80 million, and if we should lose more than the difference between that and the $85 million I have been counting on, through the phasing out of existing block and categorical programs; then, of course, it is not to our advantage to have special revenue sharing.

Furthermore, it is not a great deal of assurance to be told that, *'there is a floor under what you are getting this year, and you won't get less than that next year'*, because we have been looking for the normal progression of growth and we have been counting on it. For example, the $155 million is up about $10 or $15 million from what we got the previous year. We are counting on that amount of income this year so that the floor really doesn't mean much to us.

When I first learned that Secretary Hardin and Secretary Richardson had to cancel out on this meeting, I was very disappointed, until I found out who was to be the representative from the White House here. During the last five years, I have heard no more articulate voice of the present administration than our guest speaker here tonight, Don Rumsfeld.

Don, we are very happy to have you here and are hoping that during the meeting this evening and during the next three days you can answer some of the questions we quite naturally have. Anytime there is a change, we fear it until we see what the answers are, and we like straight answers.

INTRODUCTION OF DONALD RUMSFELD

by Dr. Wm. T. Van Orman

I would like to re-introduce myself as the Chairman of the Federal Regional Council and give you a little background on our distinguished guest speaker this evening, Donald Rumsfeld.

Mr. Rumsfeld is a very young, very competent man. He has been elected to high office on numerous occasions. He has served with distinction in the Congress of the United States. He uniquely understands the need for change in the Federal system and was one of the driving forces and supporters for legislation on Congressional reform. I was delighted to see that he had played such a role in the Congress of the United States.

He is a native of Illinois. He was elected to Congress for four terms from the State of Illinois. He is an articulate spokesman for this Administration. He has served in two positions — as Assistant to the President with Cabinet rank and as Director of the Office of Economic Opportunity.

So, we are delighted to have the Honorable Donald Rumsfeld with us this evening.

KEYNOTE ADDRESS

by Honorable Donald Rumsfeld
Counselor to the President
The White House

Thank you very much, Mr. Chairman, distinguished Governors, our host, Governor Hathaway, my colleagues and associates with the federal level of the government, ladies and gentlemen:

I must say I listened to the very generous remarks of Governor Rampton, Governor Hathaway . . . certainly Dr. Van Orman. I was pleased to hear them. I enjoyed it, and yet, it reminded me of when I was first running for Congress. You know at the age of 29, there is not an awful lot you can say about someone except he isn't in jail. He hasn't done much. And so people used a lot of loose adjectives — like the ones you heard tonight. I was making about five or six speeches a day, trying to tear around the district, and make sure I met enough people. And people would always introduce me as young and dynamic, enthusiastic, and articulate. And then, of course, I would have to stand up and do it. And always about the ninth speech of the day, I would stand up and say, "Now how in the Lord's name am I going to be enthusiastic and dynamic, young, articulate, and all of that stuff." Then to make it worse, tonight, your distinguished Master of Ceremonies said: "Well, the meeting will be over at 9:30;" but, he added, "If you have to, you can run over until a quarter to ten." Then the man running the TV tape walked up and said: "Say, we are starting at nine; I've got a half hour tape;" and he was told that would be all right. And then when I was walking in the door, I heard some lady say, "Oh, look! He's young! They don't talk so long!"

Well, let me tell you something. This is the first speech I have made to an English speaking audience in three weeks, so I have a lot stored up. I have been speaking through interpreters and that takes twice as long because I have been in, I guess, eleven countries in the last 22 days, and I have just come in from London. I have a lot to say. On the other hand, you know, by London time it is now 3:30 in the morning. Maybe that will slow me down a little bit.

I have noticed that on your schedule you have many distinguished speakers who will talk about the specific details of most of the initiatives that are now pending before the Congress, some of the things that have already been passed, and some of the things that are still pending. I wll not go into great detail about them, but I am sure that the individual speakers will handle them in a very competent way in the coming days. I do want to say that it is a great privilege to be able to join you this evening for your First Annual State-Federal Conference. I think it is an important concept. There is no question but there is a need for better communication. There is a need for a working relationship between levels of government. I congratulate the host for arranging this very fine event.

The subject that I have been asked to talk about is general revenue sharing. I think Governor Hathaway gave it a good initial shove. And I would like to take a few moments to talk about some things that I think relate to the underpinnings of much of what is going on — the kinds of things that those of you in state government and state legislatures want to know about, that those in the Executive branch at the state and local levels, the mayors, governors, as well as those of us at federal level, have been wrestling with.

For the first time in twenty years, and the last two years, we have, in fact, put more in the domestic problems that face this country . . . draft calls are down; half of the troops that were in Vietnam two years ago are home; and a new batch has been designated for return. We are ending the longest war in our history. The nuclear non-proliferation treaty has been signed. There is some progress in the SALT Talks. We have the longest peace in recent memory in the Middle East, although it is a tenuous one. Some very new initiatives with respect to China have been put forward in a way that conceivably, in the coming decade, could lead to a very great change in our relationship with the biggest nation in the world.

The Nixon Doctrine has been put forward which says not that we will smother the rest of the world, not that we will involve ourselves, unnecessarily, in the internal affairs of other countries, but that we will attempt to be an equal partner with those nations, and work to achieve a generation of peace.

I have been looking at several kinds of problems for the last three weeks — problems involving the very serious drug situation in the United States and the relationship with other countries with respect to the international drug traffic and difficulties with various types of health delivery systems. I have visited with many kings, prime ministers, foreign ministers, cabinet members, mayors, governors, citizens, bureaucrats . . . I say that in a kindly and proud sense, because I was one and I am one . . . and I would like to tell you some of the things they said.

For example, on that visit, I came back very sensitive to something I think we tend to lose sight of in the United States. And that is the position that this country has in the world and the confidence they have in us. You know, we have a great many friends across this globe. More than we think we have . . . that we really think about . . . people who are pulling for us as a society. The last words . . . the next to the last the Pope said when I was leaving after being privileged to have an audience with him . . . I might tell you what the last words were: "How many children do you have, Mr. Rumsfeld?" I smiled and said, "Three." Then the Pope said, "Give each one a hug for me." But the next to the last words were very simply that the United States is the model for the world and that what we do in our country, not only with respect to other nations of the rest of the globe, but in our country, is a model for the world. In Yugoslavia, they were wrestling with constitutional amendments to bring about a better balance and relationship between the Federal Government and the republics that make up their federation. In France, also, they are in the process of dealing with that question of relationships between the central government and subdivisions.

The second thing I would say is that the comments I received showed a great knowledge about what is being done internally in this country by governors, by mayors, by federal departments, and by agencies. You are being watched and looked at by individuals all across the globe, in at least eleven countries that I visited in the last three weeks. Men who have comparable positions and wrestling with their problems, sensitive to the kinds of pressures and the public, are looking at what the governors in this room, and the mayors and the state legislative leaders in this room, and to be sure, the federal officials here are doing, how they are solving problems, how they are wrestling with them, and how they are approaching different aspects of it. We ought to stop . . . at least I will do it, and take my hat off to all of you because this country is a fortunate country with a great system of government, and we are privileged to have people involved in it, at all levels, that are doing a whale of a job, the kind of a job that properly is and hopefully will be, in the future, a model for the rest of the world. So I take my hat off to each of you, for the role each of you is playing.

I served as a congressman as was mentioned. But I was concerned about the Congress as an institution . . . how it functioned. I was concerned about it as the Director of the Office of Economic Opportunity. I looked at that institution and felt there was need for change. And as Governor Rampton said, change is hard, and is looked at askance . . . as it properly should be, because to that individual who would suggest that something be torn down, falls the responsibility for suggesting something better. And I think that it is proper that there be very careful discussion and thought about the kinds of reforms that have been put forward. And the dialogue that is taking place within states, in conferences like this, in the Congress of the United States, is a healthy one. I think that we should move, but I think it proper that we move with people in the rowboat, aware of what is being done, aware of what is being substituted for what is.

There has been a great deal done already. As you know, things have been proposed and many things have already been accomplished: new initiatives in the health area for a national health partnership; formation of the National Environmental Protection Agency; creation of a Domestic Council and Office of Management and Budget, which I am sure we will hear more about tomorrow from Dwight Ink; reform of the Postal Service; new reforms put forward with respect to the Selective Service System; basic revisions of unemployment insurance; the overhaul of assistance to higher education for students; and the reorganization of the basic field structure of the Federal Government which has been mentioned. All of these are important. Now before the Congress is a major overhaul of the entire executive branch of the Federal Government, the Governmental Reorganization Plan. Interestingly, it has been supported on a very broad bi-partisan basis, and there are very sensible reasons why it should be. It is not the view only of this President. It represents the best judgment and thoughts of several successive presidential commissions appointed by both Democrats and Republicans – men who have studied problems and looked at how government functions, and said, it needs to be changed. And so seven cabinet departments and several dozen independent agencies will be merged into four new departments on human resources, national resources, community development and economic affairs; to enable the Federal Government to try to serve people rather than itself, to enable it to function so that there can be conflict resolution taking place at a lower level rather than the White House, to develop a structure hopefully that will serve for the 1970s and beyond, and achieve as individual citizens, the kind of accountability we need in government. Today the responsibility is so diffused, that a man lacks the authority and the capability for doing the things that he is asked to do as a major governmental official. There are overlapping and, in some cases, contradictory responsibilities. If the system is designed to have the people help guide and direct it, and to hold people accountable; the structure must enable those people who are to be held accountable to do the job they are asked to do.

Special Revenue Sharing, as Governor Rampton mentioned, is also before the Congress. And I would like to talk about General and Special Revenue Sharing very briefly.

The President put forward the proposal requesting that $5 billion for General Revenue Sharing be passed and $11 billion for Special Revenue Sharing. General Revenue Sharing is to go to the state and local governments, and to have two basic restrictions: (1) the money must be spent honestly; there will be audits; and (2) the money must be spent in conformance with the Civil Rights Act. In no other sense will the money be restricted. Special Revenue Sharing is different.

There are six general areas: education, law enforcement, urban development, rural development, manpower training and transportation. Money will come down to the state and local governments for those broad areas of concern, again with a provision for audits, and a provision for civil rights compliance, but no requirement that the money, for example, within the education division, be spent for libraries, laboratories or teachers' salaries. *The choice is left to the local level or the state level. What has been done is that the number of education programs, to take that one example, have been grouped together, and the boundary lines have been removed, and the Federal Government is saying here is the money. Spend it. You don't have to match it as you do with categorical grants; spend it honestly; spend it in consistence with civil rights statutes; but you make judgments with respect to these funds, whether it should go for laboratories or libraries.*

You can find fault with General Revenue and Special Revenue Sharing concepts. You can make the arguments as some people do: "Well, the state and local governments are not perfect. They might be dishonest." Indeed, some are, just like at the federal level. Life is like that. When you have human beings involved, they are not perfect; and occasionally there are going to be problems. You can say state and local governments are not efficient. Some may not be, but the one way to perpetuate inefficiency is to leave them so helpless and without power that they are not able to attract the kind of people that one might want. There are other faults you can find. You can say there are some things that need a national focus, and the President agrees. That is why there still will be something in the neighborhood of $20 billion in Federal categorical grant programs. He is not saying that General or Special Revenue Sharing is a substitute for all of government. Indeed, he is saying $16 billion out of $225 billion should be put into these new tools, these new arrows in our quiver. Because we cannot simply deal with state and local government through categorical grant programs; because while they are useful in some respects, they are not useful in others, we need the ability to do things in different ways.

General Revenue Sharing is pegged about 1.3 per cent of personal income tax. This comes out to about $5 billion. By 1980, it will have grown to about $10 billion. It is a concept that, again, has very broad bi-partisan support. As has been indicated, most of the national organizations that deal with governmental units favor it. The Gallup Poll says about three-quarters of the people favor it. About one-third of each house of the Congress of the United States introduced legislation dealing with General Revenue Sharing which, I think, is a good sign. People ask me: "Well, is it going to pass?" I don't know. I think it will. But it is too early to tell. This isn't a sprint; it's a marathon. This isn't something that's being done lightly. This is something that is a fundamental change in how the Federal Government interacts with the rest of society, and it merits discussion and thought and attention. I think it's exciting because beyond the specifics, as I have discussed them, there is something very important. Government exists to serve human beings. In fact, the people of this country under the Constitution, have the right to help guide and direct the course of the country. And for that to work well, it is necessary to reverse a trend — not because the trend was wrong, but because in the coming period, our society will work better if we reverse it, and move power out of Washington, and create more power centers where decisions can be made, and options exercised, and choices made. Why? . . . Well, because some of the things that government is doing at the federal level are not going as well as we might like. And, furthermore, because it is important that we recognize that all across this country there is a cry for reform. People are not satisfied. They feel that government costs too much; they feel that government isn't working well enough from their standpoint; that the decisions that come down, for one reason or another, are not tailored properly. That this federal "cookie mold" doesn't work right in cities "A", "B", or "C". And if we can only make these changes here, it might work better.

And further, they feel they cannot affect it, to the extent that they, as citizens, would like to affect it. "And when someone does not feel they can affect something, they become useless. And the man who feels useless is not inclined to be involved. He needs to push his brains, his energy, his concerns, and his best hopes and aspirations, from self, his family, his neighbors, to work for government. So, I think that's the bottom line on revenue sharing. It is not a total answer to all of government, but it is an exciting concept; it is revolutionary. And the thing that is important about it is that if we do it, if we study it, make the conscious judgment as to what we are doing, and move forward, we can, in fact, revitalize a great many of the institutions at the state and local government levels. We can, in fact, bring more people into this process, and I think this is important. There are other reasons why it is desirable. There is a fiscal crisis; there is a need for more money. But I think the really important thing is long range . . . it brings people into a position where they can affect what government does to a far greater extent than they can today.

Governor, with specific reference to Special Revenue Sharing, I'll just take a second. There is a "hold harmless clause". The money has been increased. There is more money in the 1971 and 1972 budgets for state and local governments, at all levels, than ever before in the history of the country. Beyond the "hold harmless clause", there is the anticipation, next year, the year after, that general revenue sharing, for example, will continue to grow with the growth of personal income tax, at 1.3 per cent which will continue, as I indicated, at about $10 billion, or doubling by 1980. The specific figures, of course, that you mentioned, I don't think would be comparable. I say that because, as I indicated, all categorical grant programs have not been folded into special revenue sharing. In fact, my recollection is that out of more than 500 federal programs that deal with state and local governments, there are only about 150 that would actually become part of the Special Revenue Sharing Programs, so it would be with respect to those programs only, that the dollars would compare. I have, in my briefcase, the specific figures on your State and other states as to what our computer printouts would indicate would be the first year. My guess is that with the projected growth, and the planned growth, there is no question that it would increase within the coming years. The guarantee is that it won't be less, and because of the dramatic increase in the total Federal budget, for state and local governments in 99 per cent of the cases it will be considerably more this year, and the projection for the following years is that it will be even more. So I think that you are wise, and I admire the fact that you are looking at it carefully, but I think that you will be delightfully surprised.

Finally, and I know it is taking a little more than seven minutes . . . I had occasion in recent days to talk with a great many men who are involved in government. One of the things that came up from time to time was: sure, people talk a little bit about the Middle East situation as you travel through Europe; some here in this country. But interestingly, none in Europe even raise the Vietnam War question. Not in a single country was that question raised. Here, there is concern. We moved a long way, but we still have a way to move. But the kind of question that frequently came up toward the end of the discussion was: We don't have a great war to fight. we don't have a great depression to battle and strive against. What are the goals? What are we going to do about the young people? What are we going to do as a society? End the war? Clean up the water? Pass the Family Assistance Program, and do a great deal for the people of this country? But there still is that question: "What are the goals for this society?"

And it's interesting . . . I don't want to attempt to preach — except to say that those of you who have busy jobs with great responsibilities, I wish you well in them.

I think also that our country and other countries of this world would be better countries if we, as individuals, as parents, as adults think in a given community about the time, the effort, the energy, the output we give to those who are coming along behind. With that I close and thank you very much for the privilege you have given me this evening.

QUESTION: What is the relationship between executive and legislative branches at the state level?

ANSWER: With respect to Special and General Revenue Sharing, with respect to the relationship between the Executive and Legislative Branches at the state level, the answer is that it would be a part of the process that the state legislature is involved in. It would not flow as do some federal funds today, such as the Appalachian Regional Commission, directly to the Governors in a way that would by-pass the state legislative process. With respect to the relationship between the state level and the local government levels, the answer is that it is written into both the General Revenue Sharing and each of the Special Revenue Sharing bills, a formula which would establish a relationship as to how that money would move from the Federal government to the state and local governments.

There is also a proviso that in the event a state government and the local jurisdictions in that state arrive at a formula that is more suitable to that particular state, and there is an inducement to do so, it would supersede the formula in each of the various bills. If you are interested in the specifics as to how each one of those bills — the six Special and General Revenue Sharing bills — works, we do have experts that will be around tomorrow who can provide the specific language. Those are the questions, I might add, that are now presently pending before the Congress and I would guess the Congress will receive testimony. Certainly that would be a perfect opportunity for anyone who feels that a different type of approach might be desirable to provide their input.

QUESTION: How many sponsors are there on the House Bills?

ANSWER: My recollection when I left town was 130. I think my assistant says as high as 170—180 are on a bill on revenue sharing of one type or another or indicated they would support such if it came to the floor. Last count in the Senate was 34.

QUESTION: Are local governments around the country now aware of these seven bills for revenue sharing?

ANSWER: The toughest problem we face in this country is communications. I don't want to give the answers yet, but my guess is that information has not reached each level. There has been a great deal of work done, both by the Administration, and by some representatives in the House and Senate in Washington who have Bills of their own in, to try and communicate it. Also, the Associations: the Association of Governors, of County Officials, Mayors, and various other groups have tried to do extensive mailing to various levels of government. My guess is that we are getting there. We are still in the very early stage in the whole debate, but I guess we still need to get information out on how it would work, and why the different aspects of it are good or bad.

INTRODUCTORY REMARKS

by Honorable Richard F. Kneip
Governor
State of South Dakota

Governor Stan, Mr. Secretary, Dr. Van Orman, distinguished guests everywhere, good morning.

I couldn't help but note while looking over the program, as I came in yesterday that there were so many federal and state people and people tied very directly to government, that I would like to note at this time my pleasure at having a number of people here from the business communities throughout the region. I think it's great that we look to their possible input and what they might do. It's a pleasure for me to welcome them to this kind of participation. And, John, if I might for just a moment, I'd like to talk about a couple of things before introducing you. I'm listed on the program as that being my only function, but I would like to make a few other comments, if I might.

You might have noted last evening that the two governors who were with us – three, I should say; former Governor Campbell was with us – represent a great deal of experience. Governor Stan and Governor Cal, of course, have been in office for some time, and I haven't been. I look to how we are trying through this kind of participation to improve the relationship between the Federal, State, and local governments. Then I look to my early months in office, and I look to some of the relationships that I've had; some of the confusion that exists – and I'd like to pass on to you a couple of amusing things that happened. A lot of pressures and a lot of demands are, of course, with the governor's offices; not only in South Dakota, but I'm sure in any state. I can remember a few weeks ago when my executive aide came to my office, and he had a letter in his hand from some constituent in southeastern South Dakota. The letter was some four or five pages, telling me precisely what he thought of me; he came very directly to the point that he didn't think I was a very good governor, and he used a great many loose adjectives and one thing and another to vent his emotions. I said to Ted Muenster, my executive aide, "Now look, Ted, I know it's our policy to answer each and every letter that comes into the office, but I think we should deposit this particular letter." He said, "No, no, Governor, I'm going back and we'll find an answer for that particular thing." And so, about a half hour later, he came to my office again with a letter for my signature. And the letter read something like this: "Dear Sir: Some nut has been writing this office, using a great many adverse words, and using your name. Please know that if we hear any more from him, we'll let you know." I thought that was pretty good PI work.

I don't know if I dare tell this second story since there are so many federal people around, but I've gone to Washington some two or three times over the months. Of course, we like to think that we don't have on the state level as much confusion as they have on the federal level. But they're telling the story on Secretary Laird now around Washington – at least I heard it – and I thought it was interesting. This is not my thought or a projection on my part of the war. The story goes something like this: Secretary Laird was supposed to have said, "Now look, unquestionably, we have no ground forces in Laos, and furthermore, they have every right to be there!" Well, enough of that.

Bill, it is a very great pleasure for me to be with you today, and I'd like to tell these people a little of the relationships I have known with the Mountain Plains Regional Council in Denver, of the improvements that I feel have been made with the State of South Dakota concerning the relationships between the State and Federal governments and to some extent what our plans are to improve the relationship between the State and counties and cities and to improve the whole gamut of programs as we know them. I was not in office very long before Dr. Van Orman and the people under him from the regional office came to my State. We had a very enlightening discussion on the problems as we saw them between the Federal and State governments. We made a request of the Federal Government from our State – from my office, that we be allowed what we call a federal liaison man. We were granted that particular request, and Mr. Millard Penney, who's with us today – I'm not sure where he's sitting – is the new federal liaison man now with the State of South Dakota and is helping us to untie the knots as we have known them in that vast relationship and doing a marvelous job. He's in South Dakota to help us with another very important thing. We have what we call Model Rural Development Program. And through that Model Rural Development Program, we look to the total planning effort on the part of State and Federal and local governments. Through that effort, we have divided our state into multi-county districts. We have our first ten-county, I believe it is, multi-county district formed, staffed, and we are working within that unit already at the total program development effort on the part of all of us. We are securing somehow through that effort a more efficient use of all the dollars that we need for the many programs and services that are demanded of government. The plan is working. And it's working because of the change in attitude, as I see it, between the various levels of government. I look to the discussion in this day and age of the New Federalism that is coming from Washington, and I'm pleased with that discussion. I'm pleased with decentralization efforts and the planning concepts as we see them now in improving that relationship. I feel it's going to be a great help to my State, and I see that kind of model rural development in a region like this as being of assistance, certainly, to the entire region. But I want each and every one of you to know that we are impressed with that new relationship, Bill, and we are going to afford all cooperation possible. We think that all of us will benefit from that kind of service. So I just want all of you to know that we're greatly interested in this new development.

John Montgomery, who is taking the place of Secretary Richardson this morning, will be addressing us on the welfare problems of this country. Those welfare problems, the possibilities of the family assistance package as we are beginning to see it, John, are certainly a part of the development of the total planning effort as we know it within the multi-county districts and the Model Rural Development Program in general in South Dakota. So I am greatly interested in what you have to say.

John has spent most of his time, as I understand it, in California working principally at the county and state levels with welfare problems, both under Governor Reagan and with the former governor too, I believe. But I am very pleased in knowing that the Assistant to the Secretary could be with us this morning. His particular title is not only Assistant to the Secretary, Mr. Richardson, but also Director of the Family Assistance Planning Program. So I think that we'll be very interested in what he has to give us this morning.

May I present to you the Assistant to the Secretary, Mr. John Montgomery.

WELFARE REFORM

by

John C. Montgomery
Assistant to the Secretary
Department of Health, Education, and Welfare
Director, Family Assistance Planning Staff

Thank you very much, Governor Kneip.

Governor Hathaway, host Governor of Wyoming; Dr. Van Orman, and ladies and gentlemen from Federal, State, county and city government, as well as the special guests we have here from business, industry, and the private community.

I am particularly pleased to have an opportunity to be with you this morning. I think the timing couldn't be better – I trust from your viewpoint, certainly from mine – in that after some three and a half months of morning and afternoon executive sessions with the House Ways and Means Committee, Chairman Wilbur Mills spoke to the press at 4 o'clock yesterday and gave a briefing as to the nature and elements of H. R. I, to be reported out by the Committee probably on Monday next.

Everyone seems to agree that the public welfare problems facing our country, facing the states, facing the poor, are such that there is total agreement that the welfare system must be changed. At that point, agreement tends to evaporate, and each individual has his own ideas as to how we should reform a system that really hasn't had structural reform since the 1930's.

I think Don Rumsfeld, in his keynote address last night, laid the groundwork for this First Annual State-Federal Conference. As he pointed out, this is an excellent opportunity for the family of governments within the region covering the Federation of Rocky Mountain States to be able to look at some of the problems facing government and, particularly, the people within these States.

The Secretary, of course, would have liked to have been here. Your program indicates Rod Brady, our Assistant Secretary for Administration and Management, was going to talk about executive reorganization. We got the word that, because of the timing, welfare reform was a more appropriate subject, and I'm delighted to have been asked to represent both the Secretary and Dr. Brady.

If there's anyone in this room that does not believe we are facing a crisis in welfare, I'm going to share with you just a very few statistics to show you the magnitude of the problem. Our two governors, of course, know these as well as I do, as well as any of us do, and indeed have to live with them on a fiscal basis each and every year as they strive to put together their annual budgets. But to show the trend line of where we're going in current welfare costs: I spoke to a group from the National Association of Manufacturers recently and was pointing out that if only we could have, in terms of a corporate business setting, profit lines and profit trends and earnings trends similar to what we've been having in welfare, management and stockholders would be very happy. But no one is happy about welfare costs and caseloads. I think that for comparative purposes, it would be useful to take a look at what happened during calendar year 1970.

We found that at the end of calendar year 1970, there were 13.8 million men, women, and children receiving public assistance, the vast majority of these under Federal-State programs, a small percentage under State-County-City general assistance programs. This was an increase of 2.7 million or 24 per cent over the previous year compared on a 12-month basis. The part of the growth that has been giving all of us the most difficulty is, of course, the Aid to Families with Dependent Children program (AFDC). Here we have seen the AFDC program, as of the end of the calendar year, reach 9.7 million, including children. This is an increase of 2.3 million over the prior year. In other words, of the 2.7 million in all of the various categories of public assistance, 2.3 million came in the Aid to Families with Dependent Children program. That's an increase in AFDC over a 12-month period of 32 per cent. As a matter of fact, if you compare December '70 with December of '69, the increase is over 40 per cent. But on a 12-month basis, it's 32 per cent, with the cost going up 365 per cent.

Now I mention this because I think it's important that we all realize that there has to be structural reform. We just cannot continue going down the road of the present welfare system. It is not satisfactory to those that administer the program at the various levels of government, including the states; it's not satisfactory to those that are participating in the program — the beneficiaries of financial assistance; and it certainly doesn't give much hope to the taxpayer, who's picking up the bill.

A year and a half ago President Nixon went on nationwide television and, as you will recall, set forth the parameters of major reform in a number of domestic fields, particularly in the areas of manpower and welfare reform. Since that particular time, of course, there has been a lot of debate, both in the 91st Congress and now in the 92nd Congress, as to what kind of a welfare system should be developed. I think it's very significant that in Chairman Mills' briefing of the press yesterday afternoon, as to the bill that will probably be reported out by committee on Monday, that right down the line, the major elements the President included in his original proposal of some 18 months ago were, in every instance, included in that legislation. After a year and a half of debate within and without Congress, after the most careful consideration and three additional months of closed executive hearings the legislation

that's going to the House is constructively built upon the initial proposals of this Administration. I'd like to briefly touch on some of these particular points.

First of all, there are basic federal payments, both for the handicapped and aged as well as for families, irrespective of where they live in the United States. **The aged, blind, and disabled first — for the fiscal year that will start on July 1, 1972, there will be a basic national income floor for the handicapped and the aged, who meet the tests of resources and other requirements, of $130 per month for a single individual and $195 for a couple where both are eligible for the program. The following year, this increases to $140 for the single eligible person and $200 for the couple. Starting July 1, 1974, it goes to $150 for the single individual with that third year being fully federally financed. During those first two years, there will be some participation on a reduced basis from the states starting with 90 per cent of current state efforts in aged, blind, and disabled and then dropping to 50 per cent. But it then goes to full federal financing of that $150 and $200 base in all states.**

As far as the family program is concerned, the legislation that is going to be considered on the floor of the House provides a $2400 benefit level, fully federally financed, in all parts of the country for a family of four; and it would increase to a maximum of $3600 for a family of eight or more. **This particular formula takes into consideration the cashing out of food stamps.** *There will no longer be a food stamp program for those receiving cash benefits under the welfare reform plan. There will, of course, be a residual food stamp program for childless couples and single adults, those people not covered by the federal welfare reform program.*

The second major point that needs to be emphasized is the income supplementation of the working poor. **As each of you here knows some people see this as a guaranteed annual income. In our judgment this is not accurate because of some very specific requirements that potential beneficiaries of the program must meet — particularly as they relate to training and employment — before they can be eligible. This, of course, by definition, is quite different from a guaranteed annual income. But the reason that the President, from the beginning, went with this particular provision and has stayed with it, is the fact that what we have developed since the 1930's is an income maintenance program for needy families that has not provided the financial incentive for the head of that household — particularly if it's a male — to work and earn and gradually go off welfare in a permanent sense.**

This situation touches almost all of the states. And it's not because of anything the states have done; it's because of the basic flaws in the federal laws, started in the 1930's, whereby we only provide financial assistance for needy families where one of two things has happened: either the man is not in the home, or he is unemployed. Twenty-three states have picked up a federal option to provide AFDC payments for families where the man is unemployed. But we have in the United States 1.1 million

intact families where the man is working full-time, but where those children would be better off financially if the man either quit his job and, in those 23 states, became eligible for financial benefits; or, the family would be better off financially if he deserted the family so that they would, by definition, be eligible. When you compound that problem with so-called notches or disincentives for people to move to full-time employment – disincentives in such areas as medical assistance, food stamps, and public housing – you can see that we've built ourselves a monster. That is, there is no incentive for a family to remain intact, and for that family to work and earn to the maximum extent of its ability to do so. Thus, the income supplementation of the working poor is a vital part of the strategy to provide a financial incentive for a family to stay together, as well as to provide a financial benefit for a man or a woman, as the head of the household, to work and earn more and more.

The third major provision in this legislation has to do with uniform eligibility requirements in all states. Some of the states represented here have traditionally had residence requirements. You, of course, are aware that the United States Supreme Court ruled that these particular state statutes were unconstitutional. What we have found through the years, is that welfare is a national problem, not a problem limited to the boundaries of a particular state. We have the question of migration, as well as other sociological issues that are subjects of concern because of the inter-state relationship of our welfare programs. It is generally recognized that we need to develop national eligibility requirements that will treat people the same, irrespective of whether they live in Wyoming or Mississippi or New York or California. The example of the variation of the resource test from $200 at the minimum to $2400 as a maximum is not based upon any logic but rather the attitudes and tradition within a particular state. Thus, people are treated differently in State A as compared to State B, and often these states are neighbors to each other.

The fourth point, and a very important one, has to do with work requirements and work incentives. You cannot divorce them. Work requirements are definitely built into this legislation. We feel very strongly that the American people are willing to help those who are willing to help themselves. If a man or woman is able-bodied, is not needed in the home to take care of a small preschool child, or an ill or incapacitated member of the family, or is not of advanced age, that person should be required to register with the appropriate agency for training and employment and to accept appropriate training or employment when available. *This is a tough bill in terms of the requirements for able-bodied people to register and to accept training and jobs.* But I think it's a fair bill in this regard. The fact of the matter is that mothers with school-age children – seven out of ten in the middle and upper income areas – do, in fact, work in the United States; and to expect anything less from those that are going to be helped through a public assistance program doesn't seem to be consistent with the realities of the environment of which we are a part.

The fifth point, one certainly related to work requirements and work incentives, is the matter of expanded training and child care. I probably should make certain that each of us understands that, with the whole emphasis on work, there is a formula built in to retain some money on a monthly basis to take care of the costs of work or training; and then for additional earnings over and above that, the beneficiary is able to keep one dollar out of three, with the other two dollars being used to reduce the basic benefit under the welfare reform proposal.

But certainly if we're going to be successful in the training and placement of beneficiaries in public or private jobs, we have to do a lot more than we've done before. We all know that this has been a tough period in terms of the availability of employment in many of our states. We just seem to be starting to come out of that. But there are some initiatives here that those of you in state and local government may find useful in the future – a technique that has not been available to you before – and that is our *inclusion of 200,000 public service jobs in this legislation.* During the first year that an individual is participating in public service employment with a sponsoring state or local agency, the federal government will pick up 100 per cent of the cost of that program; the second year, 75 per cent of the cost; and the third and subsequent years, 50 per cent. Now I think that with some very progressive personnel management, this could provide an opportunity for you to move welfare beneficiaries into an on-the-job training setting, if you will, with these individuals earmarked to go into regular jobs. We think this can be a very workable approach. It will cost us some money. There will be some investment, certainly to the Federal Treasury, but if it is as successful as we believe it will be, then we're convinced that that cost will be repaid rather rapidly over the first couple of years.

Fiscal relief to state and local government is a subject that I'm sure is close to the minds and hearts of many of you here. We spent about the last week in executive session of Ways and Means looking at a number of alternative approaches. At one time, I think we had about eight different concepts on the table, and I don't think any one of them had more than several votes to go with it. But the beauty of what's happened over the last three and a half months – and I think Secretary Richardson said this at the White House yesterday after he'd spoken to the President – is that over the last three and a half months, the Administration worked with the Committee constructively and effectively, a demonstration of the legislative process at its best. There is always a certain amount of give and take, but this is the President's welfare reform proposal with the kinds of inputs, strengthening, that should come through the legislative debate within the legislative committees. But the fiscal relief part of it was one of those issues that remained to the end. I'm pleased to say that after several days of some interesting debate within the Committee, with our participating in terms of trying to respond on an hour or two notice on additional cost figures, the Committee

did come up with an approach that is acceptable to the Administration — a "hold harmless" on future costs of the welfare program. And I'd like to take just a moment to talk to you about this, because this is obviously of interest to you, and it's a new development voted on in Committee just yesterday morning about 11 o'clock.

First of all, the concept of a basic national federal program of, say, $2400 for a family of four, was approved. States, such as those in the South, that are below that level would be fully cashed out of their welfare expenditures. **The Committee came to the conclusion that there should be a national program, fully federally financed, and it was a conclusion which was acceptable to us.**

We then had the problem of dealing with those states that pay at a higher level than, say, $2400. Moreover, with the elimination of the food stamp program, you would have some instances in the middle level benefit and higher benefit states where many of the existing beneficiaries of AFDC would be effectively disadvantaged, **even though many of the southern and border states would be more than compensated by the loss of food stamps. This was a difficult problem.**

It was finally resolved through a hold harmless formula which, in effect, says: States will be able to keep any of the fiscal relief they would get under all the combined provisions of the family program and the adult programs. **This, of course, will vary from state to state since we have 54 different systems, counting the territories and the District of Columbia. But** *as long as the basic benefit adjusted to the food stamp bonus value does not exceed the January 1, 1971 level, the Federal Government will hold state governments fully harmless for any costs over and above those actually spent in calendar year 1971.* **Put another way, the money spent by states under the current welfare system for calendar year '71 becomes the base period. The vast majority of states will have savings even though they maintain current benefits adjusted to compensate for the food stamp bonus. As a matter of fact, it is estimated that there will be $1.2 billion of direct fiscal relief for state and local governments even if all states maintain their current cash levels adjusted to the bonus value of food stamps. In addition, there would be $400 million of additional relief by the transfer of administrative costs from state and local governments to the Federal Government. That's a total for the first full year of $1.6 billion of relief.**

The net cost of the total welfare reform package hasn't been refined precisely because of the changes that were made as late as noon yesterday. But it appears that the additional cost, over and above what the current law would require, would be about $5 or $6 billion, compared with additional costs under H. R. 16311 of last year of $4.4 billion. The two major reasons for the increase is an additional net of $500 million for the public service jobs proposed to the Congress by the President, and secondly, the hold harmless provision that was adopted by the Committee in session yesterday.

The intent is to move toward federal administration of the program, a concept supported by many governors. Under H. R. 1, the Social Security Administration would be responsible for the administration of the aged, blind, and disabled programs. But these programs will be financed from general revenue funds, not the trust funds from which the Social Security programs are financed.

In many states, as many as 80 to 85 per cent of Aid to the Aged beneficiaries also receive OASDI benefits. I think those of you from the private sector would join those of us in government in recognizing the basic inefficiency of having two delivery systems dealing substantially with the same individual. Those that are uncomfortable with that change are concerned that there not be any compromise of the Social Security concept. And we think that the Administration and the Committee, working together, have taken care of this in terms of the basic integrity of Social Security.

In the family programs, there will be sub-categories of those that are employable or potentially employable. **And no longer will this be a judgment of a federal official or a state official or a social worker or an eligibility worker in a state or local agency. The judgment here, in terms of presumptive eligibility for training and employment, is built into the statute, itself.** *Those that are employable or potentially employable will be referred to the Department of Labor,* **and a complete reorganization of the Department of Labor, in terms of how they deal in the field with this new responsibility, can be expected.** *Those not available for employment will remain the direct responsibility of the Department of Health, Education, and Welfare.* **However, in order to achieve uniformity of administration, HEW will develop a new organization that will handle the basic eligibility determination by both Secretaries for both Departments, and will be reimbursed by the Department of Labor for administrative costs relating to employable or potentially employable beneficiaries. Eligibility determination, money payments, the establishment of beneficiary files, the data systems, tele-communications, will all be incorporated in a single uniform line of administration.**

In regard to state supplementary payments, it is the Committee's and the Administration's hope that even though those payments are entirely optional, states will continue to maintain their current levels of payment; and this is why the hold harmless provision was included. But if states do decide to have such supplementary programs, the Federal Government will take over its administration without cost to the states, piggy-backing on our regular federal administrative mechanism. If a state wishes to administer its supplemental payment, it may do so but at its own cost.

The implementation of this program is, of course, going to be difficult. With short lead times, with tight effective dates, even with a transition period, it will be necessary for states to administer the program, as agents of the Federal Government, for a year or two. We would, of course, reimburse you for the costs of that administration. Even with that kind of protective transition in the bill, we will have to work

in very close partnership to make this happen as all of us want it to happen. The cooperation that has been alluded to, in regard to Dr. Van Orman and the regional office in Denver, is the kind of communications and liaison that we must practice throughout the country, in all the regional offices and in Washington, itself.

The states have had to face unique problems in dealing with the process of administration, and the advice and counsel we can receive from you is absolutely essential if we are to successfully implement this program in the time frames provided. Take, for example, the unique problems of the Indians and the migrants. The experience and expertise that the states in this particular region have picked up through the years are indispensable if we're going to be able to do as well as you've been able to do. I say this most sincerely: both in our regional office and in Washington, we are asking for the advice and counsel of the governors, your welfare administrators, and your staff in local government in helping us meet the common problems among states as we move to a new national program, as well as the unique kinds of problems that are so familiar to you, as with the Indian population and our migrant workers.

I am so pleased to have the opportunity, Governor, to be here; and if there is time I'd be happy to answer a couple of questions.

Dr. Van Orman: Thank you very much, John, for a very thorough and very fast presentation of a very complex piece of legislation. As I sat there listening to you, I was wondering if we could start the questioning based on what I think would be important for the participants here. I couldn't help but think, "What if I were a county welfare director in Dickey County, North Dakota, or a State Senator from Loveland, Colorado, the Mayor of Ogden, a Governor, what kinds of things should I be worried about, what kinds of things should I be thinking about, that I should be doing to start to prepare my county or myself or my staff or my State for the new welfare program?" Can you respond to that; that is, to start the questions?

Mr. Montgomery: Well, Bill, to keep it brief, I'll just pick on a couple of points because as you can imagine there would be a number of them that one could select. First of all, the people that are administering the program on balance have done as good a job as one could expect considering the inadequate structure that we have built into the federal law and the combination of state law and regulations on top of that.

But what we need to do is to recognize that many of those that are now performing the income maintenance function are priority candidates for the people that we will need to hire, both in Social Security and in the new agency working with families within HEW. The bill does not contain a particular provision because we frankly have a jurisdictional problem here; federal employee responsibility rests with the Post Office and Civil Service Committees of the House and the Senate. But I think before the bill is finally passed, or with a companion bill that will go through the Post Office and Civil Service Committees, we will provide a means to facilitate the employment of qualified and competent state and local employees.

Keep in mind also, however, that the social service responsibility of the Social Security Act remains with state and local government. There is no provision to move this into the Federal Government, and this Administration feels that the appropriate place for social services is in the community, as close to the people as possible insofar as government organization is concerned. Thus, there will continue to be options for those qualified in the discipline of social work to stay and to continue the type of work they're doing, and to do it better because it will not be diluted by being combined with the determination of eligibility for money payments.

But this change, Dr. Van Orman, is going to require some major advanced planning in many states. Some states across the country have already effectively separated the delivery of money payments from the delivery of social services. Many, if not most, states have not. I think it would be time well spent for the executive offices of the Federal Government, in cooperation with the State Welfare Administrator, to start to think through the early process of how to separate these two in a manner that will be to the best interests of the residual federal administration of social services at state, county, and city level.

The second basic area has to do with one that's going to be so critically important to the integrity of the program we're talking about. We're going to try to put together in one year-and-a-half or two-year period a national information system that will add a type of protection and integrity that we've been unable to put into the present system because of the inability to communicate between the levels of government through the computer. Since all the states, and many of the counties within states where there's county administration, have differing kinds of information systems, only a couple of states can talk back and forth between their unemployment insurance program and their welfare program. The rest of the states cannot. The kind of things we're going to have to do — and we've started this with your states and had excellent cooperation from the states — is to identify the best means to go from 54 information systems into a single program where we will be able to communicate with the OASDI records in regard to employer earnings reports, and be able to communicate with Internal Revenue as far as earnings reports in tax returns. This will permit us to control those few who want to get around the system, identify those that are abusing it and, if necessary, refer them to prosecuting authorities and make them pay a price for their criminal activity. Again, we're talking about a small number of people. The vast majority of poor people, as well as everyone else, are honest and above-board. But the integrity of this program, and the fact that the American people want to have a system that they can believe in and trust, require that we work together in establishing our informational needs for your benefit as well as our own.

GOVERNOR HATHAWAY: *Mr. Secretary, it seems that the program that you describe is philosophically opposite to revenue sharing, with the take-over both in administration and funding of the welfare program. Revenue sharing, on the other hand, passes money back to the states and local government to set their own priorities and administer their own programs.* Does this action of the Ways and Means Committee and the Congress yesterday in the House indicate that Chairman Mills is getting his way and that the welfare funding if taken over by the Federal Government will replace revenue sharing? If would appear that that may be on the horizon. Would you like to comment?

MR. MONTGOMERY: Yes, I'd be very happy to, Governor Hathaway. I don't think it's any secret that Chairman Mills and maybe, to a little lesser extent, the ranking minority member, John Byrnes of Wisconsin, are not in the forefront of supporters of revenue sharing. As a matter of fact, the Chairman made a pretty strong speech before the Tennessee Legislature just on that particular point. But I think it's important that the state and Federal Government understand two things. Number one: that the President is going to continue to push for revenue sharing, and whether it's adopted this year or another year, that it's going to happen. It's going to come. It doesn't look any too hopeful in Ways and Means, but *the amount of money that has been put into the welfare reform legislation was not designed as an excuse not to give thought to revenue sharing on its merits.* The proposal for welfare reform that is being reported out of the Committee will cost more. There's no question about that. But it is only a small part of the total allocation that the President has suggested for general revenue sharing. One of the things that the governors here are well aware of, but many of the others here may not be, is that *those who argue for federal assumption of welfare costs in lieu of revenue sharing, don't realize that there are many units of government, particularly at the local level and including some of our biggest cities in America that do not have responsibility for administration of the welfare program.* Indeed, only seven of the largest 20 cities in America have any welfare costs. The other 13 have an equal fiscal crisis in many instances but they wouldn't gain a bit, at least directly, by our bailing them out completely in the area of welfare expenditures. So I think although it might appear that this is counter to the concept of revenue sharing, we don't think it is. It must not be considered a substitute for general revenue sharing because even those of you who would benefit from the fiscal relief made possible by welfare reform, really need more help in coping with your fiscal problems. And the only way you're going to get that is under general revenue sharing.

DR. VAN ORMAN: We'll have one last question.

UNIDENTIFIED: You haven't mentioned a thing about medical costs. That's been one of our big problems in our state. What's happening on that?

MR. MONTGOMERY: I'll keep it short, because this is not an area that I work in. The legislation that will be reported out Monday does have some provisions in it having to do with interim reform changes in medical assistance, both in Title XVIII, Medicare, and Title XIX, Medicaid. Some of these will be balancing figures; some will benefit states, some will have the effect of either additional costs or the need for states to pull back a little bit. This is an effort to try to control, on an interim basis, the medical costs of these two programs; but in the final analysis, the answer to states as well as to the delivery of health care has to come through basic reform. As you know, the President has sent a series of bills to the Congress that speak to the reform of health care, including a family health insurance plan for needy families. If this is adopted by the Congress in the form recommended, it will substantially eliminate the current costs to many state governments.

WILLIAM HEWITT, Associate Manpower Administrator
Office of Policy, Evaluation and Research, DEPARTMENT OF LABOR

SUBJECT: MANPOWER TRAINING

I am particularly glad to participate in this exchange of views with state and local governments. We feel Special Revenue Sharing is going to result in a substantial increase in funds and changes in methods by which funds will get to our client groups. $2 billion dollars will be authorized for manpower development the first year, an increase of almost one-third.

Manpower programs will be the products of the state and local administrators, not federal administration. The proposed Manpower Revenue Sharing Act defines a developmental process in which people are provided with kinds of services to get them from a state of unemployment to the capability of competing in a job market. It provides a *maximum 2-year enrollment period in the various means of training,* comparable to that now applied in MDTA and Job Corps. Developmental activities authorized include:

(1) Manpower Services: Outreach, counselling, training, referral, etc.;

(2) Institutional Training Activity: Basic remedial training, institutional occupational preparation;

(3) On-the-Job Training: In public and private establishments (Funds can be reimbursed to employers for training.);

(4) Supported Employment: Support for the wages of the person enrolled such as:

  (a) Neighborhood Youth Corp's employment in public and non-profit organizations where training will include supervision of work habits and skills so they can be fully employable, and

  (b) Public service employment where wages are payable under shared revenues in public agencies only.

(5) Auxiliary Assistance, incuding:

  (a) Child Care,

  (b) Minor medical services,

  (c) Family supportive activities.

Recipients of federal revenue sharing for manpower have to publish in advance and make available for public examination how the money is to be used, what kind of administrative staff, salaries, et cetera will be required. This will provide full public information and spell out accountability, which is a responsibility to legislatures and taxpayers.

There must be:

(1) No discrimination to beneficiaries, in accordance with the Civil Rights Act of 1964, and

(2) No political activity by administrators or beneficiaries.

Recipients must participate in reporting programs regarding financial accountability and for evaluating programs.

FLOYD H. HYDE, Assistant Secretary for Community Development
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUBJECT: URBAN COMMUNITY DEVELOPMENT

Under current federal grant-in-aid arrangement, there are too many programs too narrowly focused. Also, localities are faced with the uncertainty of funding. States and localities do have the capacity to use Urban Community Development Special Revenue Sharing funds wisely. They now administer $132 billion annually. The responsibility for making decisions about local community development activities should return more fully to the state and local levels.

The Administration's proposed program for the development of urban community involves $2.1 billion in the first full year or an increase of almost twenty per cent over the fiscal year 1971 program levels for the four programs proposed for conversion:

Full Year 1971 Present Funding		First Full Year Special Revenue Sharing
Urban Renewal	$1,029 million	
Model Cities	525 million	
Rehabilitation Loans	50 million	Community Development Program - $2.1 billion
Water & Sewer	150 million *	
TOTAL	$1,754 million	$2.1 billion

*Water & Sewer grants have subsequently been withdrawn from the program. Neighborhood Facilities grants, with a FY-1971 level of $40 million, are now included.

The goals of Urban Community Development Special Revenue Sharing are: (1) stable annual funding, (2) broadened local authority for development activities, (3) "Hold harmless", (4) strengthening of capacity of elected officials, (5) encouragement of areawide coordination, (6) cut red tape, (7) development, revitalization, and growth.

Eighty per cent of the funds is administratively allocated to the 247 Standard Metropolitan Statistical Areas (SMSAs). This allocation is based on four factors:

population, overcrowding, housing condition, and poverty. Of these funds the proportional share for each of the officially desginated central cities and other cities is calculated on the same four-factor basis. Such cities receive this formula share automatically as well as additional funds needed to hold them harmless.

Model Cities full year contracts will continue to be approved until December 31, 1971. Funds expended after the effective date of the Special Revenue Sharing program would come from Special Revenue Sharing funds rather than Model Cities appropriations. All Model Cities will be assured of continued funding until five action years are completed.

All communities, large and small, are eligible for this Department's discretionary funds – 20 per cent of the total. The President has recommended an additional $100 million in new funds exclusively for smaller communities.

Whatever individual problems there may be with any specific bill, this is the best opportunity we have had for a long overdue, dramatic overhaul of the Federal categorical grant-in-aid system. If we get hung up over this or that bill, we cannot make this much needed change. I urge you to support this effort and to convey to your Congressmen the need to move forward on it.

DR. REED H. SAUNDERS, Deputy Assistant Commissioner for Planning and Evaluation
Office of Education, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SUBJECT: EDUCATION

Funding Level

First full year of operation: $3 billion

From existing programs: $ 2.8 billion
Additional funds: $200 million

Area of Assistance

Education of the Disadvantaged: Programs and projects designed to meet the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families, of migrant children, and of neglected and delinquent children for whose education the State is responsible.

Education of the Handicapped: Programs and projects at the preschool or any other educational level designed to meet the special educational needs of handicapped children.

Assistance to Schools in Areas Affected by Federal Activities: Provision of financial assistance for those local educational agencies upon which the United States has placed financial burdens by reason of the fact that (a) such agencies provide education for children residing on Federal property, or (b) such agencies provide education for children whose parents are employed on Federal property.

Vocational Education: Assistance to States for vocational education activities.

Supporting Materials and Services: Such materials and services as the purchase of school textbooks, library resources, and educational equipment; the provision of supplementary educational centers and services, of school pupil personnel services, of adult education, and of school meals; the training or retraining of teachers, teacher aides, and other school personnel; the strengthening of state or local educational agency capabilities and of educational planning at the state or local level; the support of the State Advisory Council; and the administration at the state level of the program carried out under the Act.

Allotment and Use of Shared Revenues

Each State would be eligible to receive a grant equal to:

1. 60% of the average per pupil expenditure in the United States multiplied by the number of pupiles in average daily attendance residing with a parent on Federal property in such State; and

2. Its relative share of the total amount appropriated (after deduction of the "a" category SAFA entitlements as noted above, based on:

(a) 1.0 multiplied by the number of children aged 5 to 17, inclusive, in such State who are in low-income families;

(b) .6 multiplied by the number of children in average daily attendance in the public elementary or secondary schools of such State during such fiscal year who (i) resided on other than Federal property, or (ii) had a parent on active duty in the uniformed services, and

(c) .1 multiplied by the number of children aged 5 to 17, inclusive, in the State.

That portion of a State's allotment attributable to the presence of low-income children shall be available only for programs and projects designed to meet the special educational needs of educationally disadvantaged children who reside in school attendance areas having high concentrations of low-income families, who are migratory children of migratory agricultural workers, or who are neglected or delinquent children for whose education the State is directly responsible.

That portion of a State's allotment attributable to the presence of Federally connected children shall be available for any educational activity.

One-sixth of that portion of a State's allotment based on children 5 to 17 in the State shall be available for education of the handicapped; one-third shall be available for vocational education; and one-half shall be available for supporting materials and services.

Distribution of Shared Revenues within Each State

Each State would pass through to local educational agencies:

(1) The funds attributable to the presence of pupils residing with a parent on Federal property and,

(2) The funds attributable to the presence of children from low-income families in such agencies (less any amount determined by the State to be necessary for programs for neglected or delinquent children for whose education the State is responsible), but only if:

(a) Such amount is at least $10,000, and

(b) The services provided in each of the schools of such agency with funds other than funds received under this Act have been determined to be comparable, by the State administering agency, with the services so provided in all of the other schools of such local educational agency.

The remainder of the State's funds would:

(1) Be retained at the State level for operation of State-wide programs, and

(2) Be distributed among local educational agencies according to relative needs for the types of assistance available.

Transfers Among Areas of Assistance

The State would be permitted to transfer up to 30% of the funds attributable to any one area of use to any other such area, except that no transfers of funds from the area of the disadvantaged would be allowed.

Additional transfers above the statutory limit would be permitted if the State demonstrates to the satisfaction of the Secretary that such action will achieve more effectively the purposes of the Act.

Operation of the Program

The chief executive officer of each State which desires to participate under the Act shall designate a State agency to administer the program.

The designated agency shall, for each fiscal year, develop and publish a plan for the distribution and expenditure of funds under the Act. Such plan shall be developed in consultation with the State Advisory Council, shall not be finally adopted until a reasonable opportunity has been given to interested persons for comment thereon, and shall be made available to the Secretary.

The chief executive officer of each State would also appoint a State Advisory Council broadly representative of the education community in the State and of the public, including representatives of public and non-profit private schools, representatives of the populations in the State affected by activities under the Act; persons with special competence in the planning, evaluation, and assessment of education programs; and persons with special competence in the education of the disadvantaged, the handicapped, and vocational education.

Special Payments

From the sums appropriated, the Secretary may reserve up to 10 per cent for making payments to any state to assist it in carrying out activities under the Act which are designed to further achievement of national policy objectives in education.

Participation of Non-public School Children

Except where prohibited by State law, equitable participation of children enrolled in non-public elementary and secondary schools would be provided in the disadvantaged, handicapped, vocational, and support services areas. Where State law prevents such participation, the Secretary may permit the State to participate, but he shall arrange for such children to receive similar services on an equitable basis and shall pay the cost thereof out of the State's allotment.

In addition, a State would provide that title to and control of funds received under this Act and other property derived therefrom will remain in one or more public agencies.

Transition From Existing Programs

The Act authorizes the appropriation of such sums as may be necessary to enable the Secretary to make, for the period January 1 – June 30, 1972, payments to States to assist them in planning for the transition from the system of categorical grants authorized by statutes repealed by this Act to the system of revenue sharing for education authorized by this Act.

Effect on Existing Programs

Repealed (effective with respect to appropriations for FY beginning after June 30, 1971.)

Elementary and Secondary Education Act of 1965

Title I	Education of the Disadvantaged
Title II	School Library Resources, Textbooks, and other Instructional Materials
Title III	Supplementary Educational Centers and Services, Guidance, Counseling and Testing
Title V	Strengthening State and Local Educational Agencies

Education of the Handicapped Act

Part B	Assistance to States for Education of Handicapped Children

The Smith Hughes Act (Vocational Education Act of 1917)

Public Law 81-874

Section 3(a)	Children of persons who reside and work on Federal property
Section 3(b)	Children of persons who reside or work on Federal property
Section 4	Sudden and substantial increases in attendance

National Defense Education Act of 1958

Title III	Financial Assistance for Strengthening Instruction in Science, Mathematics, Modern Foreign Languages, and other Critical Subjects

Education Professions Development Act

Part B-2	Attracting and Qualifying Teachers to Meet Critical Teacher Shortages

Vocational Education Act of 1963

Part A	General Provisions
Part B	State Vocational Education Programs
Part C	Research and Training in Vocational Education
Part D	Exemplary Programs and Projects
Part E	Residential Vocational Education
Part F	Consumer and Homemaking Education
Part G	Cooperative Vocational Education Programs
Part H	Work-study Programs for Vocational Education Students
Part I	Curriculum Development in Vocational and Technical Education

Adult Education Act (except for Sec. 309: Special Experimental Demonstration Projects and Teacher Training)

Public Law 81-815 (except for sections 9, 10, 14, and 16)

Child Nutrition Act of 1966

Section 5	Nonfood Assistance Program
Section 7	State Administrative Expenses

National School Lunch Act

Section 4	Apportionments to States
Section 5	Nonfood Assistance
Section 7	Payments to States
Section 8	State Disbursement to Schools
Section 10	Nonprofit Private Schools

Not Affected

Elementary and Secondary Education Act

Title VII	Bilingual Education Programs
Title VIII	General Provisions (including the dropout prevention program)

Education of the Handicapped Act

Part C	Centers and Services to Meet Special Needs of the Handicapped
Part D	Training Personnel for the Education of the Handicapped
Part E	Research in the Education of the Handicapped
Part F	Instructional Media for the Handicapped
Part G	Special Programs for Children with Specific Learning Disabilities

Head Start and Follow Through

Emergency School Aid Act (proposed)

National Institute of Education (proposed)

Cooperative Research Act

All Higher Education Legislation (except Part B-2 of Title V of the Higher Education Act of 1965)

All Library and Educational Communications Legislation

EDUCATION REVENUE SHARING

(Dollars in Thousands)

State	Hold Harmless Base Line	E.R.S. Allocation
Alabama	$ 72,232	$ 72,232
Alaska	23,181	23,181
Arizona	31,615	31,615
Arkansas	41,433	41,433
California	261,451	263,136
Colorado	*33,679*	*33,679*
Connecticut	29,100	29,100
Delaware	6,689	6,689
District of Columbia	16,456	16,456
Florida	84,290	84,290
Georgia	83,210	83,210
Hawaii	18,642	18,642
Idaho	*11,468*	*11,468*

EDUCATION REVENUE SHARING (Continued)
(Dollars in Thousands)

State	Hold Harmless Base Line	E.R.S. Allocation
Illinois	113,941	114,060
Indiana	46,162	46,162
Iowa	33,033	33,033
Kansas	31,625	31,625
Kentucky	61,561	61,561
Louisiana	65,794	65,794
Maine	15,632	15,632
Maryland	62,174	62,174
Massachusetts	63,486	63,486
Michigan	90,983	90,983
Minnesota	45,954	45,954
Mississippi	63,291	63,291
Missouri	58,741	58,741
Montana	*13,722*	*13,722*
Nebraska	*21,410*	*21,410*
Nevada	7,300	7,300
New Hampshire	8,305	8,305
New Jersey	83,802	83,802
New Mexico	*30,762*	*30,762*
New York	289,302	289,302
North Carolina	99,014	99,014
North Dakota	*13,728*	*13,728*
Ohio	100,794	101,819
Oklahoma	45,395	45,395
Oregon	24,193	24,193
Pennsylvania	124,839	124,839
Rhode Island	13,424	13,424
South Carolina	61,908	61,908
South Dakota	*15,715*	*15,715*
Tennessee	67,992	67,992
Texas	171,026	171,026
Utah	*18,438*	*18,438*
Vermont	5,536	5,536
Virginia	94,897	94,897
Washington	43,914	43,914
West Virginia	32,928	32,928
Wisconsin	40,761	40,761
Wyoming	*6,662*	*6,662*

EDUCATION REVENUE SHARING (Continued)
(Dollars in Thousands)

State	Hold Harmless Base Line	E.R.S. Allocation
Guam	2,217	2,217
Puerto Rico	63,921	63,921
Virgin Islands	1,254	1,254
Total Allocated	$2,968,982	$2,971,811
Unallocated Discretionary Amounts		28,189
Total	$2,968,982	$3,000,000

N.B. Totals may not be exact due to rounding.

JOHN P. OLSSON, Deputy Under Secretary
DEPARTMENT OF TRANSPORTATION

SUBJECT: TRANSPORTATION

The purpose of Transportation Revenue Sharing is to return federal tax dollars for transportation to states and local governments for use in funding the transportation-related activities which they deem most important. The funds would be subject to a minimum of federal regulation, and would thus maximize flexibility of choice for state and local officials.

Under Transportation Revenue Sharing, transportation spending will more closely conform with transportation needs. State and local transportation spending would no longer be subject to the distortions often caused by the varying requirements of the categorical grant programs. Of particular significance would be the abolition of the requirement for state and local matching funds. The program would strengthen state and local governments by putting both money and decision-making power in their hands. It combines the resources of the Federal Government with the flexibility of State and local governments, thereby providing the best way to address a national need which has local solutions.

The Transportation Revenue Sharing Program would be created from 23 existing categorical grant programs which are now grouped under five major headings. The requested total funding level of FY 1972 is $2.566 billion. Since, however, the proposed effective date for revenue sharing would be midway through FY 1972, i.e., January 1, 1972, the actual funding level for the FY 1972 Transportation Revenue Sharing Program would be $1.283 billion. In FY 1973 the total funding level for Transportation Revenue Sharing will be increased to $2.8 billion.

The five existing categories of grant programs to be included in the Transportation Revenue Sharing Program would be:

Grants	FY 1972 ($ in millions)
Urban Mass Transit	525
Airport Development	220

Highway Safety	100
Federal-Aid for Highways (except funding for the completion of Interstate System)	1,655
Highway Beautification	66
TOTAL	$2.566 billion

The total Transportation Revenue Sharing Program ($2.566 billion in FY 1972) would be subdivided into two elements:

General Transportation Element	$2,041 million
Mass Transit Capital Investment Element	525 million

The General Transportation Element could be spent for a broad spectrum of transportation-related needs including planning, research, and development, acquisition, construction and operations, improvements and maintenance of transportation systems.

Ten per cent of the General Fund total would be held in the Secretary's Discretionary Fund to be allotted by him to states and local governments for funding planning, R&D, and demonstration programs. It would also act as a reserve fund to ensure that each state receives, under Transportation Revenue Sharing, at least as much as it could expect to receive under the present categorical grant structure.

The remaining 90 per cent of the General Element would be allocated to the 50 states, Puerto Rico, and the District of Columbia according to a four-factor formula based on:

(1) total state population (25%);

(2) total urban population of a state (35%);

(3) total geographical area (20%);

(4) total star and rural post office mileage (20%).

Each state would be required to pass along the urban share of its allocation to its local units of government whose population exceeds 2,500.

The mass transit capital investment element ($525 million in FY 1972) would be used only to fund capital costs associated with mass transit systems. 80 per cent of the funds in this element would be distributed according to each state's share of the nation's population living in Standard Metropolitan Statistical Areas (SMSA's) of over one million persons. The remaining 20 per cent would be allocated according to each state's share of the total national population living in SMSA's of less than one million persons. Every state would be guaranteed a minimum allocation of $250,000.

The Transportation Revenue Sharing Program would be financed from THREE sources: General Tax Revenues, the Highway Trust Fund, and the Airport/Airway Trust Fund. It should be STRESSED, however, that although money for Transportation Revenue Sharing will be drawn from the Highway Trust Fund and the Airport/Airway Trust Fund, as well as from the General Fund, the integrity of these two Trust Funds will be preserved. The Highway Trust Fund and the Airport/Airway Trust Fund would NOT be commingled into a single fund or diverted for use on projects unrelated to highways or to aviation. The money from the Highway Trust Fund would continue to be used only for highway-related projects. Likewise the Airport/Airway Trust Fund would be drawn upon only to pay for aviation-related projects.

The level at which money would be drawn from the Highway Trust Fund and from the Airport/Airway Trust Fund would be determined by the total amounts from the Transportation Revenue Sharing Programs spent nationally for highway-related and aviation-related purposes in the previous year. Thus the use of Highway Trust Fund and Airport/Airway Trust Fund money would increase or decrease according to the spending level for highway purposes and aviation purposes. However, the total amount in the Transportation Revenue Sharing Program would remain the same, with General Fund appropriations acting as the stabilizer. Thus, the total amount of Transportation Revenue Sharing money received by a state would not be affected by the type of projects on which that state decides to obligate its funds.

Two important things should be noted in relating the Transportation Revenue Sharing Program to the six states which make up the Mountain Plains Federal Region (Region VIII):

Each of these states will receive more federal funds for transportation under revenue sharing than under the present categorical grant structure. Under the present grant structure, the states in Region VIII could expect to receive a total of approximately $114 million in FY 1972. Under Transportation Revenue Sharing, this total amount would be increased to approximately $124 million;

Together with this increase in funds is the flexibility each state and local area will have in using these funds. The transportation requirements of the Mountain Plains States are somewhat different from the requirements the very urbanized Northeast have, for example. Transportation Revenue Sharing will allow every state to individualize its transportation spending to best conform to its transportation needs.

DR. JEROME SIEBERT, Assistant to the Administrator
for Consumer and Marketing Services, **DEPARTMENT OF AGRICULTURE**

SUBJECT: RURAL COMMUNITY DEVELOPMENT

The President's program for special revenue sharing for rural development unites funding of eleven programs amounting to $1.1 billion from Agriculture, Appalachian Regional Commission and Commerce. $179 million is new funds. The Secretary of Agriculture will administer the programs.

The Administration's "hold-harmless" guarantee will insure that no state receives less funds than it received under federal programs converted to Rural Community Development Special Revenue Sharing.

All counties outside SMSA's, plus counties within SMSA's with population density of less than 100 persons per square mile are eligible rural areas. Using this basis, approximately 2,800 counties, 70 million people, and over 90 per cent of the land area would be in rural areas.

Expenditures may be authorized for any state program or activity including state share of federal programs which directly benefits the residents of a rural area.

Fund Allocation to States

A. A minimum of 80 per cent will be allocated to states by:

1. 1 per cent divided equally among the states.

2. 99 per cent allocated as follows:

    a. 50 per cent according to the state's rural populations.

    b. 25 per cent according to the state's rural per capital income as compared to the national average. States with rural incomes above the national average would not participate in this share.

    c. 25 per cent according to rural population growth as compared to the national average. The slower the state's rural population growth, the greater the state's share. States with rural population increase above national average would not participate in this share.

B. A maximum of 20 per cent discretionary funds for the Secretary of Agriculture.

The state is required to set up a planning system which assures consultation and coordination with units of local government and submit a state development plan for the expenditure of funds received. The plans do not require federal approval. A proposed new $100 million Planning and Management Assistance Program would complement the rural revenue sharing by providing funds which states and local jurisdictions could use in this planning process.

All commitments made prior to the effective date of the legislation will be honored and provision for meeting them and other transition problems are included in the legislation.

EDWIN La PEDIS, Regional Director
Law Enforcement Assistance Administration, DEPARTMENT OF JUSTICE

SUBJECT: LAW ENFORCEMENT

The first comprehensive anti-crime program in the nation's history was created by Title I of the Omnibus Crime Control and Safe Streets Act of 1968. It is administered by the Law Enforcement Assistance Administration (LEAA), an agency of the Department of Justice.

Under the Act, the primary responsibility for the control and improvement of the nation's criminal justice system rests with state and local governments. They receive the bulk of the federal financial aid given by LEAA.

The heart of the LEAA program is the block grant concept. States receive block grants to both plan and carry out law enforcement and criminal justice improvement programs.

With the aid of planning grants, which are based upon population, each state in cooperation with its cities and counties drafts a plan for statewide, comprehensive law enforcement improvements. The plan must deal with all segments of the system – police, courts, and corrections, plus such priority areas as organized crime, civil disorders, and juvenile crime and delinquency.

Once the planning is completed, each state then receives a block action grant, again based on relative population, to put the programs into effect, in cooperation with its cities and counties.

In LEAA's first year, fiscal 1969, the agency's budget totaled $63 million. For fiscal 1971, President Nixon requested, and Congress approved, a budget four times as large – $480 million.

Those funds are now in the process of being awarded, with all of the grants to be given by June 30, the end of the fiscal year.

In each state, the statewide criminal justice improvement program is carried out by a State Planning Agency (SPA) which works closely with units of local government in both planning and initiating improvement programs.

To give an example of how LEAA funds are used, here is a breakdown of the fiscal 1970 budget, the last year for which fund distribution has been completed:

—$21 million in planning grants are awarded to the states.

—More than $182.7 million in action grants was awarded to the states.

—More than $32 million was awarded at LEAA's discretion for priority anti-crime projects, including more than $10 million directly to the nation's largest cities.

—$7.5 million was devoted to research and development.

—$18 million was awarded to finance college studies by law enforcement and criminal justice personnel.

—$1 million was used to establish within LEAA the National Criminal Justice Information and Statistics Service.

The remainder of the LEAA budget was composed of $1.2 million for technical assistance and $4.3 million for administration and advisory committees.

Grants to the states are made on the basis of relative population. The Act specified that all of the planning funds and 85 per cent of the action funds be awarded in block grants to the states. The states are, in turn, required to make at least 40 per cent of the planning funds and at least 75 per cent of the action funds available to units of local government or combinations of those units. States set their own priorities for use of funds under the LEAA program.

Following is the breakdown of how funds were committed for use in fiscal 1971:
—$26 million for block planning grants.
—$340 million for block action grants.
—$70 million for discretionary action grants.
—$21 million for academic assistance programs.
—$7.5 million for research and development.
—$4 million for criminal justice information and statistics programs.
—$4 million for technical assistance.
—$7.4 million for administration.

Congress has authorized sizeable increases in funds for future years. Under the revenue sharing concept, states would be given even greater authority to set their own priorities and the matching requirement would be dropped – thus permitting 100 per cent funding.

It is critical for the success of the LEAA program that states quickly establish the administrative capability to develop and implement the program. Strong support from state legislatures is necessary if either the block grant or revenue sharing are to work effectively.

JOHN CRUTCHER, Director of State and Local Government
OFFICE ECONOMIC OPPORTUNITY

SUBJECT: ECONOMIC OPPORTUNITY

It has been commented that only two or three Headquarters officials know much about state government. Some feel that the federal attitude is that states are incompetent – if not downright corrupt.

However, there is just as much wisdom at the state and local level as we have in Washington, D. C. I would remind you that the colonies were not considered ready for self-government either; they had to force the issue and develop expertise.

OEO was put together about six years ago to deal with problems of poor people. Government was not responsive to the needs of people. There are about 1,000 community action agencies: some do great things; some are abrasive; some accomplish little. There was no input from state and local government. Belatedly we recognize great resources in state and local government not drawn upon. We feel our clients, poor people, need opportunity to get jobs in state and local government. We must talk to our mayors, city commissioners, et cetera. We must open up lines of communication from the federal representatives to state and local officials.

We believe it imperative we merge programs with those at state and local levels. We already have special contacts with governors, but must try a little harder to do the same thing with mayors this year.

Through the Council of State Governments, we initiated programs for state legislators to get 5 per cent or 10 per cent of the top state legislators in the country to come to five Seminars on Problems of Poverty planned throughout the country.

The $324 million Community Action Program is to be attached to the revenue sharing program. We now fund State Offices of Economic Opportunity, with administrative programs, which deal with state and local organizations. We hope to adjust our clients to the concept of revenue sharing; our grantees are very skittish, and they have had no communication with state legislators. They feel you're not sensitive to the needs of poor people. There is a great deal of necessity for you to discover this feeling. Poor people include: minorities, Chicanos, Blacks, Indians, Orientals, as well as poor Whites.

EXECUTIVE REORGANIZATION

presented by

DWIGHT A. INK, Assistant Director
Office of Management and Budget
President's Departmental Reorganization Program

I am extremely pleased at the opportunity to appear before this First State-Federal Conference. The fact that this is the first in such a series involving so many of our Governors as well as top federal administrators makes this a particularly appropriate forum in which to discuss the President's program for reorganization. What the President is seeking to do is to draw upon years of thought, study and analysis by all elements concerned with the improvement of public administration at the federal level. Reciprocally, the early enactment of the departmental reorganization legislation will be heavily dependent upon the understanding and support of those whose responsibility and dedication is to the continuing improvement of the processes of government.

Throughout the months ahead, as we seek favorable action by the Congress and proceed to activate the proposed departments, we will welcome the ideas of the conferees assembled here in Cheyenne.

Why This Reorganization?

Government programs and the organizations which administer them tend to be additive. They rarely reflect an overall or coherent blueprint. But, as departments and agencies have been created and added to, they have reflected the needs and conditions of the times. The executive departments today vary widely in their scope of responsibility and in their systems of management. Several, such as Labor, Commerce, and Agriculture, are clearly clientele or constituent-oriented. Others, such as Interior, HUD, and HEW, have evolved toward a major purpose of government but fall short because many programs relating to the same purposes are now being carried out in other departments or in independent agencies. For example:

(a) Water Resources division between Interior, Agriculture and Army;

(b) HEW, Labor, and OEO manpower training and development;

(c) HUD and Agriculture housing overlaps;

(d) Business loans between SBA, Commerce, and Agriculture;

(e) Maritime programs between DOT (Coast Guard) and Commerce (Maritime Administration);

(f) Bad management between Agriculture and Interior.

Because large organizations are frequently resistant to change, some of the larger and older departments rely on antiquated and ineffective arrangements for program coordination, decision-making and field administration. For example:

(a) Lack of full authority in the Secretary (HEW and DOT).

(b) Numerous statutory bureaus and offices which make internal restructuring difficult.

(c) Lack of flexibility in appropriation structures and budget formats.

(d) Deficiencies in authority to conduct research and development, acquire facilities, manage procurements, utilize consultants, and fix the titles and functions of subordinates.

Finally, there are simply too many executive departments seeking to divide the "turf" of the domestic programs. The President needs to have a smaller number of policy and program Vice Presidents (in the industrial sense), each of whom can make more decisions and coordinate a broader range of related programs than is now possible.

Through proposed federal reorganization we can reduce the crushing burden of coordination now thrust upon the President and White House Staff. Cumbersome interagency coordination machinery can be dismantled (including many of the 850 known interagency committees). The Cabinet Secretary can again be restored to the position of influence which the effective management of the government requires.

What Does the Reorganization Do?

Briefly stated, the President is seeking to consolidate seven domestically-oriented executive departments plus a number of independent agencies into four major purpose-oriented departments. These are:

(1) Department of Community Development;

(2) *Department of Human Resources;*

(3) *Department of Natural Resources;*

(4) *Department of Economic Affairs.*

New departments are heavily based upon the studies conducted by Roy Ash and his associates on the President's Advisory Council on Executive Organization.

Other studies on Executive Branch Organization, such as that conducted in 1964 under the chairmanship of Don K. Price, have also been drawn upon. The President has also placed reliance on his own experience in government and that of the officials of his Administration.

Brief descriptions of these proposed departments are in order:

(1) The Department of Community Development – will include HUD, the Urban Mass Transportation and Highway functions of DOT, Agriculture programs relating to housing and rural communities, and OEO community action programs.

(2) The Department of Human Resources – will include most of the present HEW, Manpower Administration of Labor, the Consumer Protection (meat and poultry inspection) functions of Agriculture and human resource-oriented OEO functions.

(3) The Department of Natural Resources – in addition to the present Department of Interior, this department will include the Soil Conservation Service and the Forest Service of Agriculture, the National Oceanic and Atmospheric Administration of Commerce, the planning and funding of Civil Works Projects from the Army's Corps of Engineers and the pipeline safety responsibilities of DOT.

(4) The Department of Economic Affairs – includes all Agriculture programs relating to farm operation, crop production and market stabilization; the aviation, Coast Guard, rail, seaway and transportation safety functions of DOT: the labor management relations, statistical and work standards functions of Labor, and most programs of the present Department of Commerce (excluding NOAA and EDA).

While all the new departments will be major pupose-oriented, they will vary considerably in size and nature of programs. In manpower terms, they range from 161,000 military and civilian personnel in DEA to approximately 30,000 in DCD.

In annual outlays, they range from slightly over $5 billion for DNR to more than $23 billion in DHR (excluding $50 billion of Social Security and related trust funds expenditures). These and other differences require some variations in organization and management systems, and are particularly significant in the present planning for field administration (DCD vs. DEA).

Impact on Field Administration and Implications for State and Local Government

A major objective of the reorganization is to facilitate simplification of Federal field organizations and to foster additional decentralization of decision-making to field officials. This becomes possible when each Secretary has a scope of authority relating to a broad major purpose of government which enables him to come to grips in an effective and timely manner with problems in his immediate area of jurisdiction.

The plans for the organization of the new departments also call for the progressive simplification and unification of the large number of regional and field structures which they will inherit. This simplification will reduce existing confusion and overlap and make it easier for state officials and for the general public to identify the federal field representatives who are in a position to take definitive action on a particular project, program or problem.

Because fewer departments and agencies will be involved in even the most complex federal programs, the problems of coordination will be vastly simplified both in Washington and at all levels in the field. In fact, one of our major benefits of this will be rationalization of the federal field structure serving states and localities within the federal system.

Prospects for Action

The controversial character of many of the reorganization proposals is fully appreciated by the President. But the Administration is determined to forge ahead with the program as a matter of highest priority. All of us who have worked to develop the reorganization proposals have confidence that the need is so great and the merits so impressive that there will be favorable action on the proposals.

It is fully realized that the Congress will wish to consider the legislation most carefully and may choose to amend some provisions of the bills as transmitted. By preparing four separate bills we have made it possible for the Congress to conduct hearings on a department-by-department basis. I am pleased to inform you that hearings are scheduled by the Senate — starting on May 25, 1971. We hope that a House hearing schedule will be announced shortly.

In the last analysis, the fate of these overdue reforms in our machinery of government will hine on the degree of public interest which they evoke. The fact that this distinguished conference has made a special provision for my presentation is most appreciated as a contribution toward increased awareness of the President's Reorganization Program.

ROLE OF THE STATE LEGISLATOR
IN AIR POLLUTION CONTROL

presented by

HONORABLE GEORGE V. VOINOVICH, Representative
Ohio State Legislature

It's odd that a Legislator from one of the pollution capitals of the world should come out here to talk of a Legislator's role in air pollution control.

Last Friday I was touring the near west side of Cleveland – at the edge of the Cuyahoga Valley – "The Ruhr of Ohio". It irritated my throat to breathe. I imagine you may have areas in your states where this condition exists. My district is on Lake Erie, the 14th largest fresh water lake in the world – one of the most polluted. My home is one minute from the lake, which is so polluted my family can't use it. Maybe I'm here because I appreciate clean air and water because I don't have it. One of life's ironies is that we don't appreciate something until we don't have it. You are in a position to guarantee that what happened to us doesn't happen to you – though driving through Denver, it's already happening. It's even happening right outside of Cheyenne on Otto Road.

With tough, reasonable air and water pollution legislation, you can guarantee a legacy of clean environment to your children – our children. This is our great country. Implementation of the 1970 Amendments would go a long way to accomplish this.

I know there is tremendous pressure to bring new jobs into your states – industrial expansion – economic development. A clean environment is not necessarily inconsistent with this development. Just make sure that you make industry understand you are not willing to change your clean air and water for this development With national air and water standards, no state will be a haven for bad citizens. It's much easier for us to prevent problems than to solve them after they are created. It's also a hell of a lot cheaper – it will take $2 billion to clean up Lake Erie.

One of the reasons I went into state government was my belief that Federal government could not solve all our problems; – that informed, hard working and dedicated state legislators working part time could make a real contribution in improving the quality of life in our country. I came to the conclusion very quickly in the environmental area that there is not enough expertise in state government and in many instances we need joint state action to solve a particular problem. Example: It was moved by four states to prevent drilling of gas and oil in the bed of Lake Erie, and the joint action by four states did the job. We're now considering jointly, a bill to control the use of phosphates and other substitutes that could be harmful to Lake Erie.

I'm pleased to know that in 1965 the Rocky Mountain States realized the importance of joint action by forming the Federation of Rocky Mountain States and I noted in your brochure that you have already established seminars bringing industry and government together to solve environmental problems. You are fortunate that you already have a vehicle for joint state action and the exchange of information.

Let me take a few minutes to tell you about the Midwest Legislative Council on the Environment because I believe what we're doing could give you some ideas. We decided that we needed to exchange information and, since we were charged with writing law, get firsthand information and expert help.

The EPA encouraged this kind of approach which surprised a lot of us because it seemed all we were getting from D. C. were mandates and directives. On top of that they were turning do-gooders loose on us that had more and better information than we had. (They spent $100,000 on the League of Women Voters in 1970).

We agreed to create the Council and it became a reality formally in February of this year. It includes: Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri; Nebraska is a new member.

(1) There are four members from each state.

(2) One Director from each state.

(3) A President of the Board.

(4) President of the Council, Vice President and Treasurer.

(5) A full-time secretary, out of Chicago, who works for all of us.

(6) A part-time Program Director.

At the time we created the Council, I was working on an EPA Bill for Ohio. I was working with a citizens' task force to decide on amending our air, water and solid waste law and on what structure would be best in Ohio to enforce the law. Because of connections through the Midwest Council, I was able to get off-the-record help from six experts at no expense.

Four weeks ago, the Ohio House began hearings on the bill. Because of the Council we had four expert witnesses and two expert witnesses for the sponsor of another bill.

Another example of what Council is doing is the sponsorship of seminars dealing with mutual problems of member states.

For example, several weeks ago, we had a conference on auto exhaust emission. In the morning we had a demonstration of how equipment worked. In the afternoon we heard from:

Paul McKee	Ford Motors
Walter J. Hamming	Los Angeles County Air Pollution District-Chief Air Pollution Analyst
William A. Monroe	New Jersey Chief of Bureau of Air Pollution Control
Eric O. Stork	Chief-Mobile Source Pollution Control Program EPA

— a very impressive array of speakers.

An interesting twist on the program was that we all came to the meeting with the idea of setting up auto emission inspection programs in our states.

Our conclusion after hearing the speakers was that at this time it would be foolish to get involved. Why?

(1) All cars adjusted only 20 to 25 per cent reduction of impact on auto exhaust pollution.

(2) Setting up of a program would be very expensive.

(3) Hamming from Los Angeles said it is a waste of time to inspect used cars — when one cuts carbon monoxide and hydrocarbon, you create problems with oxides of nitrogen.

(4) Stork said: (a) there is no short test available to correlate with the federal test and the federal test takes 12 hours; (b) no adequate diagnostic procedures are available and auto dealers can't test too well; (c) the cost of inspection is too high in light of the results obtained — the money could be spent better; and (d) EPA will not fund application.

The meeting saved hundreds of hours that might have been wasted by legislators and staffs from eight states.

From my own experience, I am convinced that if we legislators work together on joint problems, exchange ideas and work toward regional solutions of these joint problems, great strides can be made to improve the quality of our country's environment.

I hope that as a result of today's meeting, some of you go away with some new ideas on how you can more fully utilize the Federation of Rocky Mountain States and that those of you who have no organization might see the wisdom of creating such a multi-state group to solve joint environmental problems and to provide the expertise necessary for you to tackle the environmental problems in your own state.

LEGISLATIVE LEADERSHIP

TODAY AND TOMORROW

presented by

CHARLES O. DAVIS, Executive Secretary
National Conference of State Legislative Leaders

Today, any legislative organization of any size, scope or definition, if it's worth its salt, or for that matter any other public interest group, has to be at least partly concerned with the continued improvement of the state legislature. The world has turned over many times in the last few years. The old days of the fun-and-games junkets are really very rapidly disappearing, and with them are disappearing the days of the know-nothing legislature. There's a new breed, both in the leadership and on the benches, a new breed that looks upon the institution with professional pride. It's springing up in state after state.

It is completely changing; all across the country, traditional concepts of what the state legislature has been and can do are changing. We've been pushing and prodding at this reform business and we've had a lot of allies. I think it's beginning to show fruit. The stature of the legislature is rising, and although the current debates on revenue sharing often single out the legislature as incapable of handling block grants, I am hearing less and less of that in Washington and in my other contacts. I'm hearing more and more people say that the legislature is at least as capable, if not more capable, than is the Congress in determining priorities and national purpose.

We and many other organizations and institutions in the field have been working steadily on the one hand at encouraging legislatures to upgrade the institution and on the other hand, trying to convince the national government, the press, the academic community, that in fact, the legislatures and the states are upgrading their capacity to respond.

What is it then that we're talking about when we talk about legislative reform? And is it the proper word? I know many of you shy away from the word "reform" because of all the implications it's had down through the years, and we prefer to talk about improvement and modernization which doesn't sound as drastic or as "do-gooder". But, as a matter of fact, I'm starting to like the short word and to use it more and more myself as a description of what we're up to – reform – not only of this institution but of many institutions of our government.

A number of you were present at the Western States Leaders Seminar last summer in Colorado, and you know that during that week, we dealt long and deep with the whole subject of legislative improvement. And yet the agenda remains long. No state yet has reached beyond the mere threshold of legislative effectiveness, and I include in that statement the states of California and New York.

I think there have been two significant factors of major importance to legislative reform in the year since our seminar last summer. One certainly is the new thrust of the national administration toward a reversal of the flow of dollars and powers to the central government. And the other, which is quite different and much more in-house, was the publication this year of the Legislative Evaluation Study by the Citizens Conference on State Legislatures. That's the ranking project with which I am sure you're familiar.

I'd like to examine each of those in turn with you for a few minutes as they relate to legislative improvement. And I think you might as well keep in mind that *my definition of a reformed legislature is one which is absolutely able to cope in complete independence with any issue that faces the people of any given state.*

A reformed legislature is subservient to no one but the people; not to the Governor, not to the press, not to the lobbyists, not to any of its dug-in-cliques. *It sets its own agenda and it responds to the purposes of its people in its state as its own processes dictate.*

But what about a legislature that can't do that? What about a legislature in a state where the people or the Governor or the Supreme Court or the press have not yet accepted the doctrine of separate and equal powers and, therefore, believe that the legislature ought to be shackled and bound, subservient and beholden? Now we find that legislature faced with the challenges and opportunities of the "New Federalism".

I should explain here that I have no illusions about the overnight acceptance of the President's proposals, nor do I have any illusions about any dramatic overnight turnabout in the centralization of government in America that has been going on almost since the Republic opened its doors for business. But let me say to you that I am absolutely convinced that the day is coming when there will be some kind of a reverse of the flow of power. I am convinced that some day in some way and probably in this decade, the federal relationship as we have known it is going to change.

It may be revenue sharing. It may be block grants. It may be tax credits. It may be regionalization. I don't know what it will be, but I am persuaded, along with a lot of other people, that what we've been doing to solve the social and economic and human problems of our people is not working today, and I am not sure it ever did.

So where does that leave us? Let's take an example. Let's just suppose that the President's rural revenue sharing program were to be accepted by Congress. In the allocation of block grants to the states, it would funnel $5,700,000 into Wyoming every year. And in turn, it would eliminate eight present categorical programs from the Department of Agriculture and two from the Department of Commerce. The total granted to Wyoming would be a few hundred thousand dollars more than is being taken away in those ten categorical grants.

The Wyoming Legislature is in session 40 days every two years – 40 calendar days. It is out of session for the balance of this year; it is out of session for all of next year unless the Governor calls it back on his agenda. I ask you now, who is going to determine the allocation of that $5,700,000 in Wyoming when there is no legislature?

Who is going to decide who gets what, where and when – which is the essential business of the legislature? That's what a legislature does. It decides who gets what, where or when. And how can the Congress approve such a block grant when in state after state, that same situation exists, knowing full well in the end it will be the bureaucracy that will allocate the funds?

Oh, you say, surely the Governor would call us back to deal with this, and perhaps he would in Wyoming. But I don't see why it should turn on that contingency since I believe that the legislature is a co-equal branch of government, and that's the way I read the Constitution. And what interest does the Governor have in bringing the legislature back?

Let me give you another example. One of the programs that was to go into rural revenue sharing on a national basis was the Appalachian Regional Commission which is presently funded at $179 million. The ink was hardly dry on the President's message before Congress refunded Appalachian categorically for the biennium. At least three Appalachia governors are on public record as having said that they wanted Appalachia categorically because it represented federal funds which they did not have to discuss with the legislature. There are direct quotes to that effect.

Let us not delude ourselves that the interests of the governor always run parallel with the interests of the legislature.

In the allocation of general, unrestricted revenue sharing under the President's proposal, every year Colorado gets $60 million, Montana $19 million, New Mexico $32 million, North Dakota $20.5 million, South Dakota $19 million, Utah $28.5 million, and Wyoming $11.5 million. Now somebody has to allocate that money unless you want to put it out at interest for a year and a half until you get back in session. And I just believe that those kinds of allocations ought to be made through the legislative process.

Let me tell you a couple of things that I have gotten this year as I've had opportunities in Washington and elsewhere to discuss revenue sharing with members of the press, members of the federal establishment, and the intellectual community. These are the questions that I get.

First, why don't you do it yourself? Why don't you raise your own taxes if you have these needs? Of course, the fact is that the states have increased taxes over 300 times in the last 10 years and the increased amount of state tax effort as compared to federal effort is well over three times. State and local debt has risen over 100% while federal debt 26%. State taxes across the board have increased two to three times in any given period of measurement the last few years over federal taxes. The states are doing what they can and as a result, courageous legislators and governors go down the tube in every election which is a thing that never happens to members of Congress since they have reduced taxes five times in the last 20 years. And they have that convenient little national debt they can use any time they want to spend more.

Another argument that I get is that the states are not responsible and it usually goes like this: Would you give all that money to George Wallace in Alabama? This is a kind of arrogant assertion that the people aren't capable of handling their own money.

The fact of the matter is that what has grown up in this country over the past few decades is the feeling that there are two kinds of money – the Federal government's money and the State and local government's money. And you can't tamper with one because it's allocated over here.

Well, that's a lot of nonsense. The only money in the country is the people's money and all we're talking about is the reallocation of it. They say the states are not responsible, and I say to you, if you were to take a survey in this country of the institution in government that is most in need of reform, I think most people would put the Congress at the top of the list. So when they tell me that the states are not responsible enough to give money to, I say to them, clean up your own house.

The third argument of course is that there's nothing to share but a deficit, so why talk about sharing because we're in debt. Well, who created the deficit? They have complete control over the budget. The creation of a deficit or the elimination of a deficit is completely up to them. Furthermore, the increasing amount of funds being returned to the national government through the income tax guarantees that for every dollar that the gross national product increases, federal revenue increases $1.50. Now wouldn't you like to be in that situation? State spending across the nation is increasing twice as fast as state revenues are increasing as an average. And we can't get at that progressive income tax like the federal government can.

They say to us, why don't you use the income tax? Thirty-seven states have a personal income tax and forty states a corporate income tax. But we're largely pre-empted from that field. In the first place, there's this unique competitiveness among the states. You can't income tax your corporations and people to the point where you kill economic and industrial development. Secondly, 91 per cent of all income tax today is collected by the Federal government. How much more can you put on your people? As I said before, it's the same money. If you increase the state income tax, it's the same people who pay it that pay the federal income tax.

The fact is they pre-empted the progressive income tax and it's an increasing source of revenue that most states don't have, tied as they are to regressive property and consumer taxes.

So, we have some arguments to make for state responsibilities and we have some big things we have to do to get ourselves ready.

My points are these. The demand is now coming upon us. Many of the things that many of us have said for many years are now going to come home, and we're going to have to put up or shut up. The demand is going to be upon us in one way or another to respond.

Secondly, we now have, in my opinion, through the Legislative Evaluation Study I mentioned earlier, some guidelines to work from, some specifics to use. I know all the controversy about the evaluation program. But we have come around to the conclusion that while we are not happy with the idea of ranking the states and we would just as soon that hadn't happened, and we're not sure how relevant that part of it is, we do believe that within that little packet you got from the Citizens Conference, each of you have some very solid, sound recommendations to use in reforming your legislature and every one of them is being done somewhere. There isn't a theoretical recommendation in that entire report.

The probability is that if some of these things are done, the chances of you doing a more responsive, decisional job are enhanced. Furthermore, what it basically is in most states is not a reflection on the legislature but a reflection on the people of that state because the most critical recommendations in that study in case after case reflect upon the fact that the people have shackled their legislature for one reason or another or for no reason at all, despite the best efforts of the leadership of that legislature over a long period of time. And the point we've tried to make time and time again is that this really shows what the people of the state think about their legislature.

Well, what are some of the things it says in general, and I don't want to pick out specific things that refer to the states here. I'm sure you're all aware of what's in the report. If not, you know how to find it and you can form your own conclusions from it. I didn't do it, I'm not selling it; I'm only telling you I think it gives us a set of guidelines we've never had before.

One of the things that runs through recommendation after recommendation is this business of meeting length and restrictions upon your ability to meet. Webelieve that a legislature ought to have the independence to meet at its choosing; that it is the legislature that should decide when it meets and how long it meets. It should not be restricted by the constitution or the governor or by anybody else.

It's perfectly all right to have a session length spelled out by statute, but the legislature by simple majority vote ought to be able to extend that for a certain period of time if it so desires. After all, who could tell them not to do that? They're an equal branch of government. Why should the governor set the agenda for a special session? What right does the governor have to tell you what you can consider at a special session? You ought to be able to amend that call by a simple majority vote.

The report also says that in every state – with few exceptions – no legislator in the United States should be paid less than $10,000 a year. Now, I admire the authors for taking that stand. I recognize the difficulties of that kind of a salary level for many of you. I don't think the figure is relevant. But I do want to say something about professionalization of the legislature. I think that a legislator ought to have a certain amount of loyalty to the institution, and my definition of a professional legislator is a man who when he is asked what he is, says, "I'm a legislator", and secondly, he says, "I'm a lawyer, or a rancher, or a farmer, or a businessman."

Now, I don't care whether he works 300 days a year or 40 days a year at being a legislator. That's irrelevant; how much time. I'm not talking about fulltime;

I'm talking about professionalism. I believe that a man in the legislature, and particularly a leader, must consider that he belongs to that institution and that is what he is – a legislator. Now, to the extent that he ought to be compensated for that loyalty and the amount of work that entails, then I believe the people of that state should support that level of compensation, I don't care what it is. But I will tell you that there is nothing wrong, to me, with the idea that no legislator in this country should get less than $10,000 a year, and I'm perfectly willing to support that theory.

No legislature in this country spends one per cent of the budget upon itself. If all the money that the legislatures of this country spend upon themselves were added together, it would come nowhere near what the Congress spends upon itself. A Congressman, in addition to his $42,000 salary, has about $140,000 to $150,000 a year to work with, either in cash or in kind, in stamps, in travel, in staff, and so on. And frankly, I don't see that much more coming out of the Congress.

I believe that compensation for a legislature has to follow doing some other things. I don't think that's the lead bill in the package.

Legislative reform is a delicate political problem within the legislature and with the public. It has all the nuances and is fraught with all the problems of any other political problem, and somebody has got to be smart enough in his legislature to figure out what's front and what's back in the package. It's probable that compensation is not the lead bill in that package, and that seems to me to be rather easy political judgment.

It does seem to me that an awfully good way to get into it is to lead the package with conflict of interest and ethics legislation because we've got to have that and that's one thing missing in a lot of states.

You know all the stories about conflict of interest and ethics and I don't have to read newspaper columns. We've got more true stories we can tell among ourselves than I could ever take time for, but every time they write one it hurts us just a little bit. The truth of the matter is that the legislatures by and large across the country, day in and day out, are occupied by a pretty high level of public minded people and it just kind of gets me to see them done that way in the press. I've always said that the newspapers would like to set your agenda and pay you 25¢ a year so they could call you a two-bit politician. I just don't like it and I think you ought to think about this whole area of ethics and conflicts.

The Citizens Conference report deals very heavily with structure and committees and I'm not going to get into a lot of that. You all know, I'm sure, what your problems are and why you do some of the things you do. The point of the matter is that you ought to be organized for an orderly flow of business through your houses; you ought to have parallel committees; you oughtn't to have graveyard committees; you ought to have committees that are representative of the body; the minority ought to be represented fully in proportion to its strength and the minority leader ought to have a voice in who represents the minority; the minority ought to be staffed just like the majority in proportion to its strength.

Your committee system has got to work and it's got to work for you. When you're getting up to the 1,000, 1,500, 2,000 bill introduction level you've got to have that kind of a structure. It's nice to make every Senator a chairman of a committee, I recognize that, but it doesn't serve the purpose of the legislature. Fifteen or 20 committees is plenty and they ought to be parallel between the houses.

We've talked about staff, staff, staff. You've all heard it and yet it's so critically important. I get back again to the revenue sharing business and the example I pointed out of special revenue sharing, the rural revenue sharing or manpower, or whatever it turns out to be. You've got to have staff.

If the only information you have comes from the lobbyists or the governor then that's the only information you have and that's what you've got to go on. Now I don't mean that you should build parallel staff to the governor by any means, and I reject the idea that the legislature ought to invent the wheel itself every time the budget comes along. But you ought to have staff that can ask "why?", can ask the governor's staff and the lobbyists "why is that in there?"

And you ought to have program budgeting and you ought to have people who can say, "What did that program produce? You said four years ago that you wanted x hundred thousand dollars for an alcoholism program and you would rehabilitate so many alcoholics in that period of time. Did you?"

Now that's the kind of question that the legislature has to be able to ask and you've got to have staff to do that unless you want to work 365 days a year at it.

I have to say – and I suppose it doesn't recognize the hospitality of Wyoming – but I don't like rotating leadership and neither does the Citizens Conference Report. I don't think it serves the process. I don't think it serves good leadership. I know it's awfully hard to get rid of but some states are doing it. Utah broke through in the Senate; Florida is going to make a swing at it.

It takes a man in that position who's willing to try to do it for the next one coming along because he can't do it himself; he's all bound up in it. He's got to be willing to try it for the next men who come along.

And I particularly don't like lame duck leadership, the commitment that you're going up and out. That just doesn't jibe with my definition of what leadership is.

These things that we're talking about don't guarantee a good legislature or good legislation. If the constitution says that you can only meet 40 or 50 or 60 days a year and you remove that from the constitution to say that you can meet 90 days and by majority vote come back for 45 more, you haven't created a good legislature but you've created a condition under which you can produce good legislation.

There is no guarantee in this country against the accidents of democracy. Someone has said that the fools deserve to be represented in the legislature just like all the rest of us and that's true, and they will be, and it is always going to be two steps forward and one step back.

But you see, what you have to understand, what the people have to understand is what the legislature is. The problem is that the press and the intellectual community and the academics over the past 25 or 30 years have forgotten, if they ever knew, what a legislature is.

It's not an executive office; it's not a judicial branch. The governor has the luxury of working behind closed doors with ample staff and what goes on behind those doors nobody knows. But what emerges is a solid position which may be majestic in tone but utterly stupid in results. Nobody saw what went on back there.

The legislature is an arena; the legislature is a cockpit; the legislator is a traffic cop who stands at the juncture of all the roads of his state and he tries to direct the traffic in the best way he can, in the open, under all the glare of publicity.

It is an open arena where the interests of the state clash. Government in this country needs the open clash of different points of view and it cannot happen anywhere but in the legislature. It is not pretty and it never will be and people have got to quit thinking that the legislature can be pretty because clash cannot be pretty.

You legislative leaders and I know that issues in government are rarely solved; they are settled and that's about all we can hope for. We meet at the juncture of interests and we settle a problem for a period of time until other interests arise which make that particular settlement no longer relevant and then we resettle it. And that's what goes on in the legislature, and that's what it is, and that's why it's got to be well led and well staffed and well compensated, and somebody in this blessed country has got to understand that that's what a legislature is, an open fighting cockpit arena.

You leaders and those of us who represent you in our organizations have to respond to what's going on in this country. In my opinion, *the role and the stake of the legislative leader tomorrow and for a good many tomorrows to come takes two very important paths. The legislative leaders of this country have to represent the legislatures and to a very great extent the states in an interface with the Washington presence. We can no longer abdicate that to the governors or to the bureaucracy.* We must have input into the Washington presence.

And secondly, we must have responsive, decision-making, problem-solving legislatures. You've got to belong to the organizations, you've got to go to meetings like this, you've got to be involved. You can't be a leader for 30 days, or 40 days, or 60 days anymore. You've got to be a legislative leader all the time.

My definition of a legislative leader is that he always sees tomorrow, because the men on the benches are usually tied up in today and today and today, but a leader has to see tomorrow. And tomorrow is going to be a lot different than yesterday in this country, I think. I hope so. Leaders can see what's going to happen. We can see what needs to be done. We can see what's going to come upon us. We know how to do it. We have to understand what a legislature is. We have to know the demands and the guidelines and what we've got to work with and we've got to get together like this and we've got to do things about it and we'll survive.

In 1796 a representative from New York named Fisher Ames on the floor of the House of Representatives in Washington said, comparing a Republic and a monarchy, "A monarchy is like a great ship; she sails majestically over the sea and all hands are safe, but if she strikes a rock she will sink to the bottom. A republic, on the other hand is like a raft. She will never sink, but your feet are always in the water." Thank you.

SUMMARY OF WORKSHOPS AND RECOMMENDATIONS

On Thursday afternoon, the participants and speakers met in informal workshop sessions. Each seminar represented a cross-section of conference participants and provided an excellent opportunity for an exchange of ideas and questions on the material presented in the plenary sessions. The workshops focused on the implementation of welfare reform, general and special revenue sharing and executive reorganization. Each group was asked to develop recommendations for the Conference which were presented to a Committee of the Whole following the seminars. The recommendations can be summarized as follows:

1. Federal programs, including revenue sharing, should be simplified to alleviate present confusion. Representatives of a number of states felt that their states did not have the complex mechanism necessary to handle some existing federal programs.

2. Greater flexibility should be provided for the states in existing legislation. Many state people thought that categorical allocations which allow no greater discretion to the grantee under revenue sharing than they now have.

3. The Federal government should develop a more meaningful system for allocating federal funds for highway construction. In this regard, the Federal government should recognize the difference in cost between plains highway construction and mountain highway construction, taking into account the preservation of wilderness areas, environmental concerns and excessive costs in mountain areas.

4. Concomitant with revenue sharing allocations, performance audits, rather than strict guidelines or dollar audits with meaningless monitoring and evaluating procedures, should be provided with enforceable authority.

5. The decentralization of Federal government, not only on paper, but in effect, should be implemented with a strong, viable policy and decision-making authority within a regional structure of field staff.

6. State agencies should not be set up merely to replicate federal agency requirements with the sole purpose of administering federal revenue sharing programs, but should be reorganized to provide the most effective structure to solve the state's particular problems.

7. State governments should assess the capacity of local governments and "pass through" revenue sharing dollars should be subject to state assistance where local capacity is minimal.

8. There should be a "cost of government" escalation clause on the hold-harmless provision of the Revenue Sharing Bill.

9. More detailed information must be available to the states and localities before grass-roots support can be engendered and solidified.

10. Planning capability for the revenue sharing money should utilize federal, state and local resources.

11. A new method of delivery of regional monies needs to be developed with consideration of an effective local-state-federal organization.

12. The role of the state legislature in the revenue sharing process should be defined. A possible method to be utilized toward the development of a substantive role for legislatures could be the institution of a legislative liaison committee to the executive branch of government and participate in the decision-making process.

13. General reorganization of state governments is needed. Hopefully, this will become more feasible after the proposed federal reorganization takes place, and the constraints placed on the states are lessened

14. Consistent with agendas prepared by the states, the Regional Council should visit each state to delineate the components of federal revenue sharing and discuss the complexities that might be encountered in the implementation of the new fiscal policies.

15. States and localities should take into consideration the present decentralization process underway in the Federal government and look to the Regional Offices for technical assistance rather than turning to Washington. The Regional Offices, in the same respect, should easily be accessible to state and local people and responsive to their needs.

EVALUATION

This evaluation of the First Annual State-Federal Conference is based on responses to questionnaires distributed to all Conference participants. Respondents' attitudes regarding the Conference are listed below:

1. The majority of respondents agreed that the Conference was a worthwhile project and that participants received important basic information on Welfare Reform, Executive Reorganization, and Revenue Sharing. Such a meeting also provided a firm basis for creating more effective lines of communication between federal, state and local officials.

2. Generally, the respondents felt that the presentation of most speakers was good, and that their material was well-prepared, informative, and well organized. However, there were some reservations concerning the major panel presentations on Thursday morning. Many respondents felt that there was too much material to absorb during this session, and that more time for each panelist should have been given to explore his area in depth.

3. The Special Legislative Session on Friday Afternoon with Charles Davis was acclaimed by all who attended and responded. Mr. Davis was particularly commended for his problem-solving and action-oriented approach. Most legislators agreed that he was able to offer considerable insight to the actual role of the state legislature within the revenue sharing process. It was generally expressed that this session proved to be a most valuable facet of the Conference.

4. There was a consensus of agreement that the Environmental Protection Agency's portion of the program was well done. Many participants cited as profitable the specific actions with which they were charged during the session as well as the quality and amount of information which was imparted as being extremely beneficial and pertinent.

5. Most respondents agreed that a follow-up workshop in local areas would be productive in further clarifying the funding concepts and implementation of revenue sharing. Some participants thought that the state and local people might have greater input into the agenda for such a meeting.

6. A large number of respondents commented that they enjoyed the opportunity to meet with other federal, state, and local officials to discuss solutions to common regional problems. Several respondents spoke of the importance of the Conference for continued close cooperation among all levels of government.

7. Subjects to be included in a future conference, as suggested by the participants, included:

   Indian Affairs

   Welfare Reform

   State Planning Needed for Revenue Sharing

   Transportation

   Agriculture

SPONSORS

Mountain Plains Federal Regional Council

Dr. William T. Van Orman, Chairman
Director, Region VIII
Department of Health, Education & Welfare

Mr. Sam Martinez, Chairman (elect)
Director, Region VIII
Office of Economic Opportunity

Mr. Frank Potter
Manpower Administrator, Region VIII
Department of Labor

Mr. Robert Rosenheim
Director, Region VIII
Department of Housing & Urban Development

Mr. Charles Beach
Administrator, Region VIII
FHA, Department of Transportation

Mr. William Lucas
Director, Region VIII
Department of Forestry, USDA

Federation of Rocky Mountain States

Governor Calvin L. Rampton, Chairman
State of Utah

Governor Jack M. Campbell, President

Dr. Donald Galvin, Vice President

Governor John A. Love
State of Colorado

Governor Cecil Andrus
State of Idaho

Governor Forrest H. Anderson
State of Montana

Governor Bruce King
State of New Mexico

Governor Stanley K. Hathaway
State of Wyoming

Other Sponsors

Environmental Protection Administration

Law Enforcement Assistance Administration

Conference Task Force

Dr. Rulon Garfield, Chairman (HEW)

John Mosley, Coordinator (HEW)

Rita Doyle, Coordinator (HEW)

Susan Allen (HEW)

Richard Courtenaye (OEO)

Joe Francis (HEW)

Dr. Donald Galvin, Federation of Rocky Mountain States

William Hatchett (HEW)

Clarence Hill (LEAA)

George Moffett (EPA)

Patricia H. Moore (HUD)

William Oliver (DOT)

Marvin Ritzman (DOL)

CONFERENCE PARTICIPANTS

Speakers

Honorable Donald Rumsfeld
Counsellor to the President
The White House
Washington, D. C. 20500

Mr. John Montgomery
Assistant to the Secretary and
Director of Family Assistance Planning
Department of Health, Education,
and Welfare
Washington, D. C. 20201

Mr. Dwight Ink
Assistant Director for Organization
and Management Systems
Office of Management and Budget
Washington, D. C. 20503

Mr. Charles O. Davis
Executive Secretary
National Conference of State
Legislative Leaders
411 East Mason Street
Milwaukee, Wisconsin 53202

Honorable George Voinovich
State House of Representatives
State House
Columbus, Ohio

PANELISTS

Mr. William B. Hewitt
Deputy Associate Manpower Administrator
Office of Policy, Evaluation, and Research
Manpower Administration
Department of Labor
Washington, D. C. 20210

Dr. Reed H. Saunders
Deputy Assistant Commissioner for
Program Planning and Evaluation
Office of Education
Department of Health, Education,
and Welfare
Washington, D. C. 20202

Mr. John P. Olsson
Deputy Under Secretary
Department of Transportation
Washington, D. C. 20591

Mr. Jerome Siebert
Assistant to the Administrator
of Consumer and Marketing Service
Department of Agriculture
Washington, D. C. 20250

Mr. Edwin LaPedis
Regional Director, Law Enforcement
Assistance Administration
Department of Justice
Denver, Colorado

Mr. Floyd H. Hyde
Assistant Secretary for
Community Development
Department of Housing and Urban
Development
Washington, D. C. 20410

Mr. John Crutcher
Director of State and Local Government
Office of Economic Opportunity
Washington, D. C.

CONFEREES

Colorado

Honorable Fred E. Anderson
State Senator
Route 1, Box 117
Loveland, Colordo 80537

Mrs. J. W. Bradbury
President
Colorado League of Women Voters
107 Cheyenne Road, Apt. 208
Colorado Springs, Colorado 80906

Mr. Ron Brady
Assistant to the Director
Extension Service
Colorado State University
Fort Collins, Colorado

Honorable Fay DeBerard
President Pro Tempore
Colorado State Senate
Box 188
Kremmling, Colorado 80459

Mr. William Funk
Public Affairs Office
United Bank of Denver
Post Office Box 5247
Denver, Colorado 80217

Mr. Gordon Gauss
Associated Press
650 – 15th Street
Denver Colorado 80202

Dr. Charles R. Goeldner
Director of Business Research
Graduate School of Business Administration
Room 307, School of Business Bldg.
University of Colordo
Boulder, Colorado 80302

Mr. Lyle Lindesmith
Private Secretary to the Governor
136 State Capitol
Denver, Colordo 80203

Mr. Joe Murdock
Council on Crime Control
Office of the Governor
State Capitol
Denver, Colorado 80203

Mr. Hilary P. Osborn
Technical Graphics, Inc.
2701 Alcott Street
Denver, Colorado 80211

Mr. Francisco Sanchez
Radio Station KFSC
2185 Broadway
Denver, Colorado 80203

Mr. Philip Schmuck
Acting Director of Planning
State of Colorado
7th Floor, State Capitol Annex
Denver, Colorad 80203

Mr. Howard E. Smith
Colorado Manager
Eastman Kodak Company
Windsor, Colorado 80550

Mr. Andrew Vogt
Administrative Assistant to
Director of Urban Resources
Development Agency
City and County Building
Denver, Colorado 80202

Idaho

Honorable Jay Amyx
Mayor of Boise
City Hall
Boise, Idaho 83702

Mr. Albert Carlsen
President, Idaho Power Company
Post Office Box 70
Boise, Idaho 83701

Honorable Terry L. Crapo
Majority Floor Leader
Idaho House of Representatives
871 Claire View Lane
Idaho Falls, Idaho 83402

Mr. John M. Dahl
Vice President
J. R. Simplot Company
Post Office Box 2777
Boise, Idaho 83701

Mrs. Clifford Dobler
President
Idaho League of Women Voters
1401 Alpowa Street
Moscow, Idaho 83843

Honorable John V. Evans
Minority Floor Leader
Idaho State Senate
Route 1, Box 1
Malad, Idaho 83252

Mr. Roy Haney
Special Assistant to the Governor
Office of the Governor
Boise, Idaho 83701

Mr. Ed Simmerman
Executive Director
Association of Idaho Cities
1402 Broadway
Boise, Idaho 83706

Montana

Mr. Francis Bardanouve
Chairman, Legislative Council
Harlem, Montana

Honorable Dorothy Bradley
State House of Representatives
1105 South Tracy
Bozeman, Montana 59715

Honorable E. W. Christiansen
Minority Leader
Montana State House of Representatives
310 North Crow
Hardin, Montana 59034

Honorable George Darrow
Montana State House of Representatives
Box 2001
Billings, Montana 59101

Honorable G. W. Deschamps
State Senate
Route 2
Missoula, Montana 59801

Mrs. Diana Dowling
Legal Assistant to the Governor
Office of the Governor
State Capitol
Helena, Montana 59601

Honorable Elmer Flynn
State Senate
Route 2, Mullam Road
Missoula, Montana 59801

Dr. Rudyard Goode
Director, Bureau of Business and Economic Research
School of Business Administration
University of Montana
Missoula, Montana 59801

Montana (continued)

Mr. Gordon Hovan
Assistant to the Federal-State
Coordinator
Office of the Governor
State Capitol
Helena, Montana 59601

Honorable George Johnston
State House of Representatives
504 Third Street, S. E.
Cut Bank, Montana 59427

Honorable M. F. Keller
State House of Representatives
509 Second Avenue North
Great Falls, Montana 59401

Honorable Gordon McGowan
State Senate
Highwood, Montana 59450

Honorable Harry Mitchell
State Senate
Ayshire Dairy
Great Falls, Montana 59401

Mr. Perry F. Roys
Executive Director
Montana State Department of Planning
and Economic Development
Capitol Station
Helena, Montana 59601

Honorable Jeffrey Scott
State House of Representatives
194 Mountain View Boulevard
Billings, Montana 59101

Honorable Leland Schoonover
State House of Representatives
Box 941
Polson, Montana 59860

Mrs. Bonnie Wallem
State Program Director
League of Women Voters
2045 Jerome
Helena, Montana 59601

Mr. Gary Wicks
Special Assistant
Office of the Governor
State Capitol
Helena, Montana 59601

Nebraska

Honorable Robert Clark
State Senate
2622 El Rancho Road
Sidney, Nebraska 69162

Mr. George Gerdes, Director
Legislative Research Council
State Capitol
Lincoln, Nebraska 68509

Honorable Clair Holmquist
State Senate
115 East 2nd Street
Oakland, Nebraska 68045

Honorable Tom Kennedy
State Senate
Box 326
Newman Grove, Nebraska 68758

Honorable Richard Proud
State Senate
2224 South 110th Street
Omaha, Nebraska 68111

Honorable Loren Schmidt
State Senate
R. F. D. 3
David City, Nebraska 68632

Nebraska (continued)

Mr. John Sullivan
Assistant to the Governor
State Capitol
Lincoln, Nebraska 68509

New Mexico

Mr. Joe Cruz Castellano, Jr.
State Planning Office
Legislative-Executive Bldg., Room 403
Santa Fe, New Mexico 87501

Honorable John P. Eastham
Minority Floor Leader
New Mexico State Senate
Box 2034
Albuquerque, New Mexico 87103

Mrs. Marvin Van Dilla
First Vice President
New Mexico League of Women Voters
154 Barranca Road
Los Alamos, New Mexico 87544

Mr. Lee Zink
Director
Bureau of Buisness Research
University of New Mexico
ISRAD Building
Albuquerque, New Mexico 87106

North Dakota

Honorable Howard F. Bier
Speaker
State House of Representatives
Hazelton, North Dakota 58544

Mr. Keith Burkholder
State Planner
State Planning Agency
State Capitol
Bismarck, North Dakota 58501

Mr. Kenneth Dawes
Acting Director, North Dakota Combined
Law Enforcement Council
State Capitol Building
Bismarck, North Dakota 58501

Honorable Ricahrd Hentges
State House of Representatives
1601 South 10th
Fargo, North Dakota 58102

Honorable H. Kent Jones
State Senate
Webster, North Dakota 58382

Honorable Robert Melland
State Senate
Box 112
Jamestown, North Dakota 58401

Mr. Chester E. Nelson, Jr.
Budget Analyst
North Dakota Legislative Council
State Capitol
Bismarck, North Dakota 58501

Honorable Leland Roen
State Senate
Box 183
Bowman, North Dakota

Mr. Chuck Two Bears
Box 68
Solen, North Dakota 58570

Honorable Ralph Winge
State House of Representatives
Litchville, North Dakota 58461

South Dakota

Honorable Richard F. Kneip
Governor of South Dakota
State Capitol
Pierre, South Dakota 57501

Mr. Don Achtien
Pilot
Pierre, South Dakota 57501

Honorable Holger Anderson
State Senate
Pierre, South Dakota 57501

Honorable John Bibby
Chairman
Four State Legislative Conference
Box 558
Brookings, South Dakota 57006

Honorable Richard Bratton
Mayor
Custer, South Dakota 57730

Honorable William Grams
State Senate
Sturgis, South Dakota 57785

Honorable Albert Gunderson
State House of Representatives
Pierre, South Dakota 57501

Mr. Larry D. Jensen
Salem, South Dakota 57058

Honorable Louis L. Johnson
President Pro Tempore
State Senate
217 East 8th Avenue
Milbank, South Dakota 57252

Mr. Michael P. Ortner
Director, Legislative Research Council
State Capitol
Pierre, South Dakota 57501

Honorable Donald Osheim
Speaker
State House of Representatives
Box 235
Watertown, South Dakota 57201

Mr. Lloyd Peterson
Attorney General's Office
State Capitol
Pierre, South Dakota 57058

Honorable Merle Pommer
State House of Representatives
Castlewood, South Dakota 57223

Honorable James Rothstein
Majority Leader
State House of Representatives
1414 Kennedy Drive
Mobridge, South Dakota 57601

Honorable Lloyd Schrag
Majority Leader, State Senate
Marion, South Dakota 57043

Mr. Bill Smith
KELO – TV
Sioux Falls, South Dakota 57501

Honorable Dwayne Swenson
State House of Representatives
Route 3
Woonsocket, South Dakota 57385

South Dakota (continued)

Honorable Kenneth Trask
State Senate
Box 512
Custer, South Dakota 57730

Honorable Harvey Wollman
Minority Leader, State Senate
Hitchcock, South Dakota 57348

Mrs. A. D. Zemlicka
Aberdeen City Commissioner
League of Women Voters
1020 South Kline Street
Aberdeen, South Dakota 57401

Utah

Honorable Calvin L. Rampton
Governor of Utah
Salt Lake City, Utah 84114

Mr. Robert B. Andersen
Director
Law Enforcement Planning Agency
Room 304, State Office Building
Salt Lake City, Utah 84114

Honorable Haven J. Barlow
President, Utah State Senate
Room 319, State Capitol
Salt Lake City, Utah 84114

Honorable Richard A. Chambers
Mayor of Logan
61 West First North
Logan, Utah 84321

Mr. W. F. Dickson
Vice President for Administration
Surety Life Insurance
1935 South Main
Salt Lake City, Utah 84115

Honorable C. DeMont Judd, Jr.
Majority Leader
State House of Representatives
1018 Fifth Street
Ogden, Utah 84404

Mrs. C. R. Juvelin
Utah League of Women Voters Board
250 South 100 West
Cedar City, Utah 84720

Mr. Mits Koga
Utah Northwestern Life Insurance Co.
4540 Madison Avenue
Ogden, Utah 84403

Honorable Dixie Leavitt
Majority Leader, State Senate
393 South 700 West
Cedar City, Utah 84720

Mr. Leo L. Memmott
Legislative Analyst
Utah Legislative Council
Room 326, State Capitol
Salt Lake City, Utah 84114

Mr. Richard Merrell
Office of the Governor
State Capitol
Salt Lake City, Utah 84114

Mr. Jack Ockey
State Planning Office
State Capitol
Salt Lake City, Utah 84114

Mr. Kenneth C. Olson
State Planning Coordinator
Office of the Governor
210 State Capitol
Salt Lake City, Utah 84114

Utah (continued)

Mr. R. Thayne Robson
Executive Director
Economic and Business Research
University of Utah
Room 401, Business Office Bldg.
Salt Lake City, Utah 84112

Mr. Stan Smoot
County Commissioner
Davis County Court House
Farmington, Utah 84025

Wyoming

Honorable Stanley K. Hathaway
Governor of Wyoming
State Capitol Building
Cheyenne, Wyoming 82001

Mr. John H. Black
Office of the Governor
State Capitol Building
Cheyenne, Wyoming 82001

Mr. Bill Bruhn
Office of the Governor
State Capitol Building
Cheyenne, Wyoming 82001

Honorable Arthur L. Buck
Minority Floor Leader
State House of Representatives
3018 Thomes
Cheyenne, Wyoming 82001

Honorable William Budd
Chairman, Revenue Committee
State House of Representatives
829 West Fremont
Riverton, Wyoming 82501

Mr. M. Joseph Burke
Director
Federation of Rocky Mountain States
109 East 10th Street
Casper, Wyoming 82601

Honorable Allen Campbell
State House of Representatives
Box 187
Afton, Wyoming 83110

Honorable William F. Craft
Majority Leader
State House of Representatives
Post Office Box 509
Greybull, Wyoming 82426

Mr. Larry Crandell
KTWO – TV
Casper, Wyoming 82601

Honorable Howard Flitner
Vice President, State Senate
Diamond Tail Ranch
Greybull, Wyoming 82426

Mr. Lee Galeotas
Budget Officer
State of Wyoming
State Capitol
Cheyenne, Wyoming 82001

Wyoming (continued)

Mrs. Matilda Hansen
Wyoming League of Women Voters
1017 Milton Street
Cheyenne, Wyoming 82001

Mr. Jack Hertzler
Commissioner of Agriculture
Capitol Building
Cheyenne, Wyoming 82001

Honorable Floyd Holland
Mayor of Cheyenne
City and County Building
Cheyenne, Wyoming 82001

Colonel Wilburn Jackson
Vice-Commander
90th Strategic Wing
Francis E. Warren Air Force Base
Wyoming 82001

Honorable Robert H. Johnson
State Senate
Cheyenne, Wyoming 82001

Mr. Walter W. Kingham
Executive Director
Wyoming Association of Municipalities
Post Office Box 2535
Cheyenne, Wyoming 82001

Mr. William G. Lucas
Superintendent and Chief Engineer
Wyoming Highway Department
Cheyenne, Wyoming 82001

Honorable Peter E. Madsen
President, State Senate
1760 Martin Avenue
Sheridan, Wyoming 82801

Mr. Jerome M. Mark
Chief of State Planning
Department of Economic Planning
and Development
210 West 23rd Street
Cheyenne, Wyoming 82001

Honorable Ward C. Myers
Speaker, State House of Representatives
Post Office Box 586
Lovell, Wyoming 82431

Mr. Charles G. Newton
State-Federal Coordinator
Office of the Governor
Cheyenne, Wyoming 82001

Honorable Donald Northrup
State Senate
Star Route
Powell, Wyoming 82435

Mr. Keith Osborn
State Planning Coordinator
Office of the Governor
State Capitol
Cheyenne, Wyoming 82001

Honorable John Patton
Chairman, Legislative Service Agency
Management Council
343 West Loucks Street
Sheridan, Wyoming 82801

Mr. Clynn Phillips
Director, Division of Business and
Economic Research
College of Commerce and Industry
University of Wyoming
Box 3925, University Station
Laramie, Wyoming 82070

Wyoming (continued)

Mr. John B. Rogers
Administrator
Governor's Planning Committee
on Criminal Administration
600 East 25th Street
Cheyenne, Wyoming 82001

Mr. Robert Sievers
President
Wyoming Association of Municipalities
Post Office Box 130
Pinedale, Wyoming 82941

Mr. Tom Smith
Chairman, Committee on Revenue Sharing
Wyoming Association of Municipalities
Box 971
Laramie, Wyoming 82070

Brigadier General Harold A. Strack
Commander
90th Strategic Wing
Francis E. Warren Air Force Base
Wyoming 82001

Colonel Harold L. Swanagon
Base Commander
Francis E. Warren Air Force Base
Wyoming 82001

Mr. Ralph Thomas
Director
Wyoming Legislative Service Agency
213 State Capitol Building
Cheyenne, Wyoming 82001

Mr. Harry T. Thorson
President
Toco Corporation and Black Hills
Bentonite Corporation
Post Office Box 338
Newcastle, Wyoming 82701

Honorable Dick Tobin
Majority Floor Leader, State Senate
404 Con-Roy Building
Casper, Wyoming 82601

Honorable John Turner
State House of Representatives
Triangle X Ranch
Moose, Wyoming 83012

FEDERAL REPRESENTATIVES

Department of Health, Education, and Welfare

Mr. Charles Alicks
Office of the Assistant Secretary for
Community and Field Services, DHEW
330 Independence Avenue, S. W.
Washington, D. C. 20201

Mr. Max M. Mills
Regional Director
DHEW Region VII
Federal Office Building
601 East 12th Street
Kansas City, Missouri 64106

Mr. Howard Rowlands
Office of Regional and Community
Development, DHEW
Room 3733, HEW North Building
330 Independence Avenue, S. W.
Washington, D. C. 20201

Mr. Tom Sweeney
Field Liaison Representative
Division of Field Administrative Planning
Family Assistance Planning, DHEW
Temporary Building 8, Room 1080
330 Independence Avenue, S. W.
Washington, D. C. 20201

DHEW Region VIII

Room 9017 Federal Building
1961 Stout Street
Denver, Colorado 80202

Represented by:

Mrs. Susan Allen
Acting Public Information Officer

Miss Rita Doyle
Administrative Assistant, Regional Council

Mr. Clell D. Elwood
Assistant to the Regional Representative
Family Assistance Planning

Dr. Rulon R. Garfield
Deputy Regional Director

Dr. Allen Hodges
Assistant Regional Director for
Planning and Evaluation

Mr. John W. Mosley
Community Services Coordinator

Mr. Thomas P. Ranney
Assistant Regional Director for
Intergovernmental Affairs

Mr. Millard F. Penney
Assistant to the Regional Director
for Regional Council

Mr. Dennis Sanchez
Cooperative Education Student

Mr. Warren Thompson
Assistant Regional Director for
Family Assistance Planning

Dr. William T. Van Orman
Regional Director

Department of Housing and Urban Development

Miss Meredith Potter
Assistant to the Assistant Secretary
for Community Development, DHUD
Washington, D. C. 20410

DHUD Region VIII

Room 14038 Federal Building
Denver, Colorado 80202

Represented by:

Mr. Joseph Blake
Regional Council Staff

Mr. Harold Bolas
Assistant Regional Administrator for
Housing Productive & Mortgage Credit

Mr. John Buddeke
Assistant Regional Administrator
for Renewal Assitance

Mr. Roland E. Camfield
Deputy Regional Administrator

Mr. Donald Dirksen
Assistant, Metropolitan Planning
& Development

Mr. Eldon Halingstad
Program Planning and Technologist
(also Environmentalist)

Mr. Jerry Hannon
Planning and Workable Programs Administrator

Mr. Michael Kastanek
Assistant Regional Administrator
for Model Cities

Mr. Robert Kemper
Assistant Regional Administrator
for Public Affairs

Mr. Robert Matuschek
Special Assistant

Patricia Huggins Moore
Voluntary Action Program Coordinator

Mr. Robert Rosenheim
Regional Administrator

Mr. John Wilder
Assistant Regional Administrator for
Metropolitan Planning & Development

Office of Economic Opportunity

OEO Region VIII

Room 12033 Federal Building
Denver, Colorado 80202

Represented by:

Mr. Richard Courtenaye
Regional Council Representative

Mr. Glenwood Johnson
Intergovernmental Relations Chief

Mr. Sam Martinez
Regional Director

Department of Agriculture

Mr. Virgil M. Eskew
Intergovernmental Affairs Regional
Coordinator, USDA
Denver Federal Center
Denver, Colorado 80225

Mr. John P. Orcutt
Assistant to the Secretary for
Intergovernmental Affairs, USDA
Washington, D. C. 20250

Department of Agriculture (continued)

Mr. Stanley Trenheile
USDA
Boise, Idaho 83702

Mr. John Vance
Staff Specialist
Forest Service, USDA
Building 85, Denver Federal Center
Denver, Colorado 80225

Department of Transportation

DOT Region VIII

Building 40, Denver Federal Center
Denver, Colorado 80225

Represented by:

Mr. Charles Beach
Regional Federal Administrator
Federal Highway Administration, DOT

Mr. John Demmer
Division Engineer
Federal Highway Administration, DOT

Mr. William Oliver
Special Assistant to Regional
Federal Administrator
Federal Highway Administration, DOT

Department of Labor

DOL Region VIII

Manpower Administration
Room 16038, Federal Building
Denver, Colorado 80202

Represented by:

Mr. Frank A. Potter
Regional Manpower Administrator

Mr. Marvin Ritzman
Director, Interagency Relations, MA

Department of Justice

Law Enforcement Assistance Administration
Room 6519, Federal Building
Denver, Colorado 80202

Represented by:

Mr. Clarence Hill
Deputy Director, LEAA

Mr. Joseph Mulvey
Law Enforcement Specialist, LEAA

Office of Management and Budget

Mr. Edwin Deckard
Program Coordinator, OMB
Room 7216, Executive Office Building
Washington, D. C. 20503

Civil Service Commission

Mr. William Rima
Regional Director, CSC
Building 20, Denver Federal Center
Denver, Colorado 80225

Department of Interior

Mr. Maurice D. Arnold
Regional Director
Bureau of Outdoor Recreation
Building 41, Denver Federal Center
Denver, Colorado 80225
(also Chairman, Denver Federal
Executive Board)

Environmental Protection Agency

Mr. Robert Chancellor
Air Pollution Control Office, EPA
Kansas City, Missouri

Environmental Protection Agency (continued)

Mr. Charles McClees
Staff Assistant, EPA
Washington, D. C.

Mr. George Moffett
Acting Chief for Legislative Support
Program, EPA
Washington, D. C.

Mr. Earl Porter
Regional Director
Air Pollution Control Office, EPA
Denver, Colorado

Mr. William Sprattlin
Air Pollution Control Office, EPA
Kansas City, Missouri

Other Invitees

Mr. Donald Glickman
Deputy Director for Research and Program
Development
Citizens Conference on State Legislatures
4722 Broadway
Kansas City, Missouri 64112

Mr. Guy D. Spiesman
Assistant Director
The National Demonstration
The Rehabilitation Center
College of Education
University of Arizona
Tucson, Arizona 85721

Federation of Rocky Mountain States, Inc.

Room 203, 1390 Logan Street
Denver, Colorado 80203

Governor Jack M. Campbell
President

Mr. Jerry Brasher

Kay Fischer

Dr. Donald Galvin
Vice President

Mr. George Nez

Mr. Robert Stewart